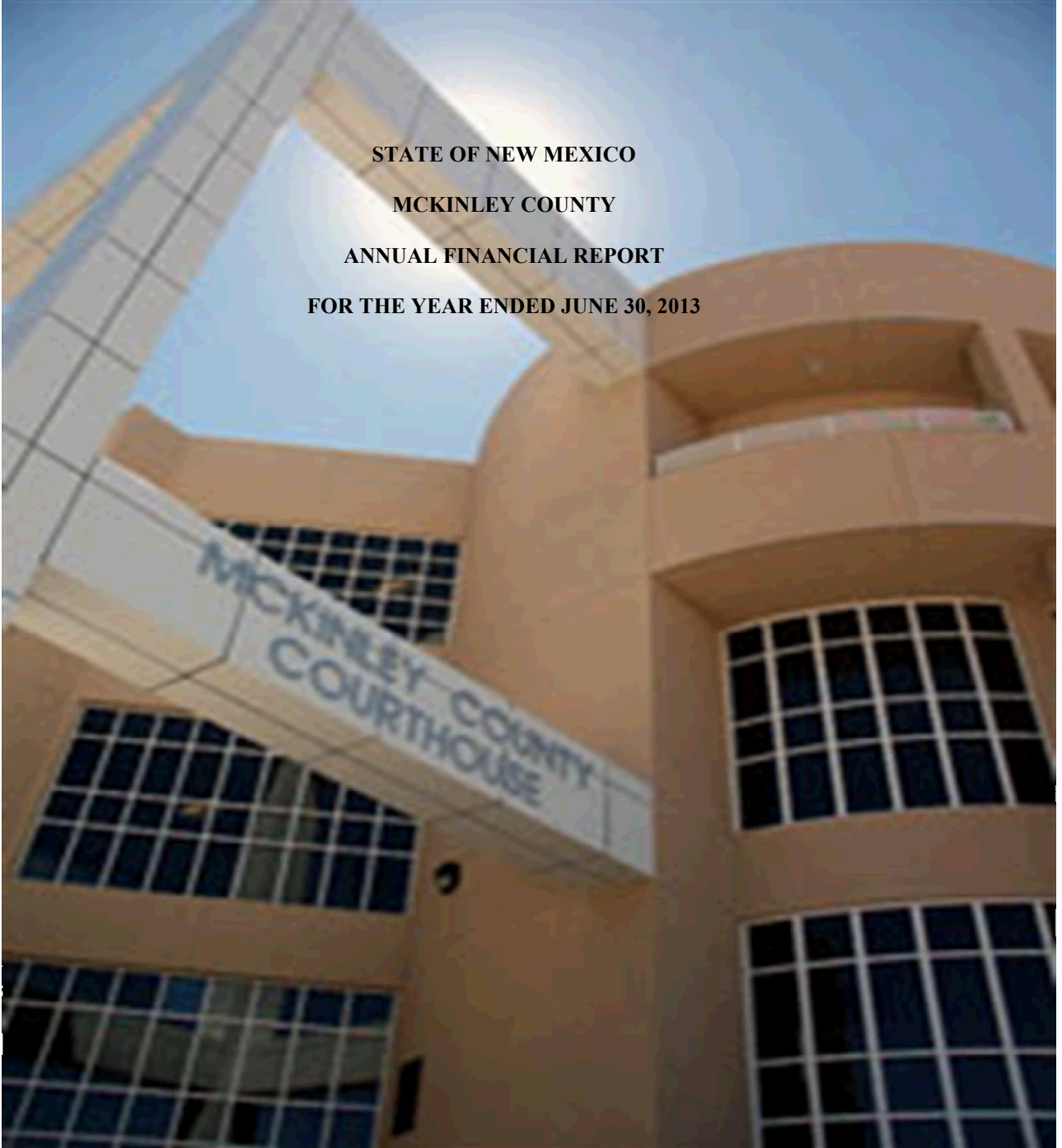


**STATE OF NEW MEXICO
MCKINLEY COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2013**



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STATE OF NEW MEXICO

McKinley County

Official Roster

June 30, 2013

<u>Name</u>	<u>Elected Officials</u>	<u>Title</u>
Genevive Jackson		County Commissioner - Chairman
Anthony Tanner		County Commissioner
Carol Bowman-Muskett		County Commissioner
Harriett K. Becenti		County Clerk
Ernest Becenti Jr.		County Treasurer
Phillip Gutierrez		County Assessor
Felix Begay		County Sheriff
Tommy Nelson		County Probate Judge
	<u>Administrative Officials</u>	
Bruce Swingle		County Manager
Sara A. Keeler		Finance Director
Douglas W. Decker		County Attorney

FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The U.S. Office of Management and Budget and
The Board of McKinley County Commissioners
McKinley County
Gallup, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the General Fund and major special revenue fund of McKinley County, New Mexico (the County), as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the major capital projects fund, debt service fund, and all nonmajor funds presented as supplementary information as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013 as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the County's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of McKinley County, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County, as of June 30,

2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the budget comparisons referred to above present fairly, in all material respects, the respective budgetary basis of accounting as prescribed in the New Mexico Administrative Code, as more fully described in Note 2 to the financial statements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 10 through 16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations and Supporting Schedules I through V required by 2.2.2 NMAC are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and Supporting Schedules I through V required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Award and Supporting Schedules I through V required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 1, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 1, 2013

STATE OF NEW MEXICO
McKinley County
Management's Discussion and Analysis
June 30, 2013

As management of McKinley County (the County), we offer readers of McKinley County financial statements this narrative overview and analysis of the financial activities of McKinley County for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the financial statements of McKinley County and additional information provided.

Financial Highlights

- The assets of McKinley County exceeded its liabilities at the close of the most recent fiscal year by \$115,157,925 (*net position*). Of this amount, \$6,721,498 (*unrestricted net position*) may be used to meet the County's ongoing obligations to citizens and creditors.
- Change in net position for the year end was \$8,172,112. The increase is primarily due to an increase in gross receipts taxes collected, as well as miscellaneous and other income collected.
- At the end of the current fiscal year, fund balance for the general fund was \$13,948,698, or 69 percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to McKinley County's basic financial statements. McKinley County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of McKinley County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of McKinley County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of McKinley County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of McKinley County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs. The governmental activities of McKinley County include general government, public safety, public works, culture and recreation, and health and welfare.

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. McKinley County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of McKinley County can be divided into two categories: governmental funds and fiduciary funds.

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McKinley County
Management's Discussion and Analysis
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Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

McKinley County maintains 43 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General fund, Courthouse Project Fund, Judicial Complex Construction and the Adult Detention Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

McKinley County adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the general fund and all the special revenue funds to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental funds include budgetary comparison data.

The basic governmental fund financial statements can be found at Exhibits B-1 and B-2 of this report period

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support McKinley County's own programs.

McKinley County fiduciary funds account for the collection of property taxes and special fees and their remittance to other governmental agencies, and accounts for the Telecommunication program fees collected on behalf of the provider.

The Statement of Fiduciary Assets and Liabilities- Agency Funds can be found at Exhibit D-1 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-55 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 64-124 of this report.

STATE OF NEW MEXICO
 McKinley County
 Management's Discussion and Analysis
 June 30, 2013

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of McKinley County assets exceeded liabilities by \$115,157,925 and \$106,985,813 at the close of the fiscal years ended June 30, 2013 and June 30, 2012, respectively. The County also had revenues that exceeded expenditures during the year in the amount of \$8,172,112 which increased net position in the current year.

A large portion of the County's net position reflects its net investment in capital assets (e.g., land, buildings, other improvements, infrastructure and furniture and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion (\$48,932,812) of McKinley County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$6,721,498) may be used to meet the government's ongoing obligations to citizens and creditors.

McKinley County is able to report positive balances in all three categories (Net investment in capital assets, net of related debt, Restricted, and Unrestricted) of net position, for the government as a whole as of June 30, 2013.

McKinley County's Net Assets
June 30, 2013

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Current and other assets	\$ 58,036,572	\$ 68,280,417
Capital assets	<u>74,243,615</u>	<u>66,846,213</u>
Total assets	<u>132,280,187</u>	<u>135,126,630</u>
Current Liabilities	2,117,356	3,369,466
Non-current liabilities	<u>15,004,906</u>	<u>24,771,351</u>
Total liabilities	<u>17,122,262</u>	<u>28,140,817</u>
Net assets:		
Invested in capital assets, net of related debt	59,503,615	41,016,213
Restricted for:		
Debt service	3,136,282	4,709,659
Capital projects	19,522,643	16,390,781
Other Purpose- special revenue	26,273,887	23,789,805
Unrestricted	<u>6,721,498</u>	<u>21,079,355</u>
Total net assets	<u>\$ 115,157,925</u>	<u>\$ 106,985,813</u>

STATE OF NEW MEXICO
 McKinley County
 Management's Discussion and Analysis
 June 30, 2013

Changes in Net Position

The County's total revenues of \$44,790,454 and program expenses of \$36,618,342 resulted in a change in net position of \$8,172,112. The County incurred an increase in program revenues and a decrease in overall expenditures over the prior year. The County also maintained favorable budget to actual expenditure variances. While comparing balances from current year to the prior year, the accounts may vary due to the prior year auditor grouping accounts differently than the County grouped them in current year.

This section contains a condensed comparison of revenues and expenditures and explanations for significant differences. The table shows the summarized revenues and expenditures for the years ended June 30, 2013 and June 30, 2012.

McKinley County's Change in Net Assets
June 30, 2013

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Program revenues:		
Charges for service	\$ 5,653,656	\$ 4,690,368
Operating grants and contributions	8,128,397	6,958,024
Capital grants and contributions	574,387	400,000
General revenues:		
Property taxes, levied for general purposes	7,709,379	7,719,562
Gross receipts taxes	19,456,367	17,594,840
Gasoline and motor vehicle	913,345	957,743
Other	1,184,210	1,470,727
Payments in lieu of taxes	1,074,150	1,049,488
Interest income	243,442	341,942
Miscellaneous income	575,058	185,719
Proceeds from sale of capital assets	33,959	1,483
Loss on disposal of capital assets	(322,897)	(9,460)
Net increase (decrease) in the fair value of investments	(926,999)	(198,938)
Special item - transfer from/(to) agency fund	494,000	133,070
	<u>44,790,454</u>	<u>42,981,804</u>
Program expenses:		
General government	\$ 6,892,673	\$ 7,630,084
Public safety	14,304,222	14,468,883
Public works	7,358,073	6,162,276
Health and welfare	6,888,803	7,527,931
Interest on long-term debt	1,174,571	1,241,513
	<u>36,618,342</u>	<u>38,036,963</u>
Change in net assets	<u>8,172,112</u>	<u>4,263,881</u>
Net Assets - ending	<u>\$ 115,157,925</u>	<u>\$ 106,985,813</u>

STATE OF NEW MEXICO
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Financial Analysis of the Government's Funds

As noted earlier, McKinley County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of McKinley County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing McKinley County's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, McKinley County's governmental funds reported combined ending fund balances of \$55,699,249, a decrease of \$9,883,633 in comparison with the prior year. Approximately 21 percent of this total amount, \$11,526,422, constitutes *unassigned fund balance*, which is available for spending at the government's discretion, and 79 percent of this total amount, \$44,172,827, is *restricted or committed for budgeted items in the major and non-major special revenue funds*.

The general fund is the chief operating fund of McKinley County. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$11,526,422 while total fund balance was \$13,948,698. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 119 percent of total general fund expenditures, while total fund balance represents 144 percent of that same amount. Fund balance of McKinley County's general fund decreased by (\$9,334,615) during the current fiscal year. The decrease is due to the defeasance (paying off) of a revenue bond.

The Adult Detention fund has total fund balance of \$410,527. At the end of the current fiscal year, *unassigned* fund balance of the Adult Detention fund was \$0. The net increase in fund balance during the current year in the Adult Detention fund was \$630,370. This increase is due primarily to the addition of out of county prisoner care contracts and a good collection of those contracts.

The Judicial Complex Construction Capital Projects Fund has a total fund balance of \$1,798,620. At the end of the current fiscal year, *unassigned* fund balance of the Indigent Health Care Fund was \$0. The net decrease in fund balance during the current year in the Judicial Complex Construction fund was (\$3,679,938). This decrease is due primarily to the progressive construction costs to complete the Judicial Complex.

The Courthouse Project Capital Projects fund has a total fund balance of \$1,966,060. At the end of the current fiscal year, unassigned fund balance of the Courthouse Project Capital Projects fund was \$0. The net increase in fund balance during the current year in the Courthouse Project Capital Projects fund was \$1,165,365, which is due to gross receipts taxes collected for certain projects.

Budgetary Highlights

County budgets reflect the same pattern as seen in the revenue and expenditures of the County. The State of New Mexico budget process is defined under state law and regulation. To enhance the process of developing a budget at the county level, McKinley County utilizes goals and objectives defined by the County Commissioners, community input meetings, long term plans and input from various staff groups to develop the County budget. County priorities are well defined through this process.

GASB 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

The total variation in budgeted expenditures from the original and final budgets in the general fund was \$104,140. The increase was mainly due to a budget increase to normal County activities. Actual expenditures in the general fund were lower than final budgeted expenditures by \$2,901,051.

The following table examines the summary budget performance of the major and aggregate non-major funds for the fiscal year ending June 30, 2013. Detail budget performance is reported in the budgetary comparison statements for each major fund and the statements of revenues and expenditures budget and actual for the non-major funds.

STATE OF NEW MEXICO
 McKinley County
 Management's Discussion and Analysis
 June 30, 2013

Fund Budget Performance

	Final Budget	Actual on Cash (Budgetary) Basis	Favorable (Unfavorable) Variance
General Fund	\$ 12,600,446	\$ 9,699,395	\$ 2,901,051
Adult Detention Fund	4,230,209	3,633,189	597,020
Judicial Complex Construction Capital Projects Fund	9,500,000	7,683,644	1,816,356
Courthouse Project Capital Projects Fund	7,125	239,938	(232,813)
Other Governmental Funds	37,572,576	23,700,212	13,872,364
Total for Governmental Funds	\$ 63,910,356	\$ 44,956,378	\$ 18,953,978

The County amends its budget during the year in response to unexpected changes in its operating environment. The original and final budgets are reported and can be examined in the budgetary comparison statements for each major fund and the statements of revenues and expenditures budget and actual for the non-major funds

Capital Asset and Debt Administration

Capital Assets

McKinley County's investment in capital assets for its governmental activities as of June 30, 2013, amounts to \$74,243,615 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, equipment, infrastructure, and other improvements. The table below shows the summarized capital assets of McKinley County as of June 30, 2013 and June 30, 2012.

**McKinley County's Capital Assets, Net of Depreciation
 June 30, 2013**

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Property, plan and equipment		
Land	\$ 3,765,416	\$ 3,765,416
Constuction in progress	8,632,923	1,810,814
Infrastructure	27,766,389	27,766,389
Land improvements	4,080,323	4,080,323
Buildings and improvements	58,239,301	55,901,681
Vehicles and rolling stock	20,802,879	20,115,809
Machinery, equipment, & Other	6,545,472	6,601,453
Total property, plant and equipment	129,832,703	120,041,885
Less: accumulated depreciation	(55,589,088)	(53,195,672)
of accumulated depreciation	\$ 74,243,615	\$ 66,846,213

STATE OF NEW MEXICO
 McKinley County
 Management's Discussion and Analysis
 June 30, 2013

The County recognized \$3,908,053 in depreciation expense during the year. Additional information on McKinley County's capital assets can be found in the notes to the financial statements.

The County had several commitments to construction companies at June 30, 2013. Additional information on McKinley County's commitments can be found in Note 13 of the financial statements.

Long-term debt

At June 30, 2013, McKinley County had total gross receipt revenue bonds outstanding of \$14,740,000, which is secured by pledged gross receipts tax revenues. McKinley County also has post-closure debt of \$98,000, which is restricted cash in the EGRT fund.

**McKinley County's Outstanding Debt
 June 30, 2013**

	<u>Governmental Activities</u>	
	<u>2013</u>	<u>2012</u>
Gross Receipts Revenue Bonds	\$ 14,740,000	\$ 25,830,000
Landfill Closure/Post/Closure Costs	98,000	128,000
Compensated Absences	535,445	423,038
Total outstanding debt	\$ 15,373,445	\$ 27,748,357

The County reduced bonds payable by their principal payment of \$11,090,000. Additional information on McKinley County's long-term debt can be found in the notes to the financial statements.

Economic Factor and Next Year's Budgets and Rates

- Inflationary trends in the region compare favorably to national indices.

This factor was considered in preparing McKinley County's budget for the 2013 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to \$11,526,422. It is intended that the use of this available fund balance will avoid the need to raise taxes or charges during the 2014 fiscal year.

Request for Information

This financial report is designed to provide a general overview of McKinley County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the County Manager, McKinley County, New Mexico.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

McKinley County

Statement of Net Position

June 30, 2013

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 11,534,835
Investments	39,713,380
Receivables:	
Property taxes	473,507
Other taxes	2,530,638
Other receivables	<u>2,753,275</u>
Total current assets	<u>57,005,635</u>
Noncurrent assets	
Restricted cash and cash equivalents	551,547
Bond issuance costs (net of accumulated amortization of \$86,230)	407,419
Bond underwriter discount (net of accumulated amortization of \$17,466)	71,971
Capital assets	129,832,703
Less: accumulated depreciation	<u>(55,589,088)</u>
Total noncurrent assets	<u>75,274,552</u>
Total assets	<u><u>\$ 132,280,187</u></u>

The accompanying notes are an integral part of these financial statements

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 942,803
Accrued payroll	550,962
Accrued interest	53,591
Current portion of accrued compensated absences	422,251
Current portion of landfill closure and postclosure costs	30,000
Current portion of bonds payable	<u>540,000</u>
Total current liabilities	<u>2,539,607</u>
Noncurrent liabilities	
Accrued compensated absences	113,194
Landfill closure and postclosure costs	68,000
Bond underwriter premium (net of accumulated amortization of \$32,360)	201,461
Bonds payable	<u>14,200,000</u>
Total noncurrent liabilities	<u>14,582,655</u>
Total liabilities	<u>17,122,262</u>
Net position	
Net investment in capital assets	59,503,615
Restricted for:	
Debt service	3,136,282
Capital projects	19,522,643
Other purposes - special revenue	26,273,887
Unrestricted	<u>6,721,498</u>
Total net position	<u>115,157,925</u>
Total liabilities and net position	<u>\$ 132,280,187</u>

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STATE OF NEW MEXICO
 McKinley County
 Statement of Activities
 For the Year Ended June 30, 2013

Exhibit A-2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary government					
General government	\$ 6,892,673	\$ 3,935,794	\$ 2,012,540	\$ 15,793	\$ (928,546)
Public safety	14,304,222	-	5,933,928	108,594	(8,261,700)
Public works	7,358,073	-	112,283	450,000	(6,795,790)
Health and welfare	6,888,803	1,717,862	69,646	-	(5,101,295)
Interest on long-term debt	1,174,571	-	-	-	(1,174,571)
<i>Total governmental activities</i>	<u>\$ 36,618,342</u>	<u>\$ 5,653,656</u>	<u>\$ 8,128,397</u>	<u>\$ 574,387</u>	(22,261,902)

General revenues and special items:

Taxes:	
Property	7,709,379
Gross receipts	19,456,367
Gasoline and motor vehicle	913,345
Other	1,184,210
Payment in lieu of taxes	1,074,150
Investment income	243,442
Net increase (decrease) in the fair value of investments	(926,999)
Miscellaneous income	575,058
Proceeds from sale of capital assets	33,959
Loss on disposal of capital assets	(322,897)
Special item- transfer from agency fund	494,000
Total general revenues and special items	<u>30,434,014</u>
 Change in net position	 8,172,112
 Net position - beginning	 <u>106,985,813</u>
 Net position - ending	 <u>\$ 115,157,925</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

McKinley County
Balance Sheet
Governmental Funds
June 30, 2013

	<u>General Fund</u>	<u>Adult Detention Fund</u>	<u>Judicial Complex Construction</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 356,648	\$ -	\$ -
Investments	13,084,860	-	1,815,041
Receivables:			
Property taxes	469,940	-	-
Other taxes	322,789	174,749	-
Other receivables	37,166	748,677	-
Due from other funds	395,691	-	-
<i>Total assets</i>	<u>\$ 14,667,094</u>	<u>\$ 923,426</u>	<u>\$ 1,815,041</u>
<i>Liabilities and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 120,202	\$ 80,567	\$ 16,421
Accrued payroll	237,259	96,296	-
Deferred revenue	360,935	-	-
Due to other funds	-	336,036	-
<i>Total liabilities</i>	<u>718,396</u>	<u>512,899</u>	<u>16,421</u>
<i>Fund balances</i>			
<i>Spendable</i>			
<i>Restricted for:</i>			
General county operations	-	-	-
Maintenance of roads	-	-	-
Fire departments	-	-	-
Public safety	-	-	-
Healthcare	-	-	-
Capital projects expenditures	-	-	1,798,620
Debt service expenditures	-	-	-
<i>Committed for:</i>			
Corrections facility	-	410,527	-
Senior center	-	-	-
Minimum fund balance	2,422,276	-	-
Unassigned	11,526,422	-	-
<i>Total fund balances</i>	<u>13,948,698</u>	<u>410,527</u>	<u>1,798,620</u>
<i>Total liabilities and fund balances</i>	<u>\$ 14,667,094</u>	<u>\$ 923,426</u>	<u>\$ 1,815,041</u>

The accompanying notes are an integral part of these financial statements

<u>Courthouse Project</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ 11,729,734	\$ 12,086,382
1,966,060	22,847,419	39,713,380
-	3,567	473,507
-	2,033,100	2,530,638
-	1,967,432	2,753,275
-	-	395,691
<u>\$ 1,966,060</u>	<u>\$ 38,581,252</u>	<u>\$ 57,952,873</u>
\$ -	\$ 725,613	\$ 942,803
-	217,407	550,962
-	3,233	364,168
-	59,655	395,691
<u>-</u>	<u>1,005,908</u>	<u>2,253,624</u>
-	3,290,401	3,290,401
-	2,044,727	2,044,727
-	1,950,023	1,950,023
-	10,979,686	10,979,686
-	6,879,325	6,879,325
-	10,425,706	12,224,326
1,966,060	852,094	2,818,154
-	858,994	1,269,521
-	10,584	10,584
-	283,804	2,706,080
-	-	11,526,422
<u>1,966,060</u>	<u>37,575,344</u>	<u>55,699,249</u>
<u>\$ 1,966,060</u>	<u>\$ 38,581,252</u>	<u>\$ 57,952,873</u>

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STATE OF NEW MEXICO

McKinley County

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2013

Exhibit B-1

Page 2 of 2

Amounts reported for governmental activities in the Statement of Net Position are different because:

Fund balances - total governmental funds	\$ 55,699,249
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	74,243,615
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	364,168
Other noncurrent assets are not available to pay for current period expenditures and therefore, are deferred in the funds:	
Bond issuance costs	407,419
Bond underwriter discount	71,971
Other liabilities are not due and payable with current financial resources and, therefore are not reported in the funds:	
Accrued interest payable	(53,591)
Bond underwriter premium	(201,461)
Current portion of accrued compensated absences not due and payable at year end	(422,251)
Current portion of the landfill closure and postclosure costs	(30,000)
Current portion of bonds payable	(540,000)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(14,200,000)
Accrued compensated absences	(113,194)
Landfill closure and postclosure costs	(68,000)
Net position - governmental activities	<u>\$ 115,157,925</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 McKinley County
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2013

	<u>General Fund</u>	<u>Adult Detention Fund</u>	<u>Judicial Complex Construction</u>
<i>Revenues:</i>			
Taxes:			
Property	\$ 7,805,688	\$ -	\$ -
Gross receipts	3,631,154	1,229,975	-
Gasoline and motor vehicle taxes	341,826	-	-
Other	11,012	-	-
Intergovernmental:			
Federal operating grants	-	-	-
Federal capital grants	-	-	-
State operating grants	-	-	-
State capital grants	-	-	-
Payment in lieu of taxes	1,074,150	-	-
Charges for services	343,838	2,936,447	-
Investment income	242,561	-	-
Net increase (decrease) in the fair value of investments	(691,085)	-	-
Miscellaneous	137,060	34,471	-
<i>Total revenues</i>	<u>12,896,204</u>	<u>4,200,893</u>	<u>-</u>
<i>Expenditures:</i>			
Current:			
General government	5,669,326	-	14,099
Public safety	3,582,601	3,670,523	-
Public works	-	-	-
Health and welfare	239,648	-	-
Capital outlay	197,532	-	7,565,839
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>9,689,107</u>	<u>3,670,523</u>	<u>7,579,938</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,207,097</u>	<u>530,370</u>	<u>(7,579,938)</u>
<i>Other financing sources (uses)</i>			
Proceeds from sale of equipment	33,959	-	-
Payments to bond escrow agent	-	-	-
Transfers in	119,144	100,000	3,900,000
Transfers (out)	(12,694,815)	-	-
<i>Total other financing sources (uses)</i>	<u>(12,541,712)</u>	<u>100,000</u>	<u>3,900,000</u>
<i>Net change in fund balance</i>	(9,334,615)	630,370	(3,679,938)
<i>Fund balance - beginning of year</i>	<u>23,283,313</u>	<u>(219,843)</u>	<u>5,478,558</u>
<i>Fund balance - end of year</i>	<u>\$ 13,948,698</u>	<u>\$ 410,527</u>	<u>\$ 1,798,620</u>

The accompanying notes are an integral part of these financial statements

<u>Courthouse Project</u>	<u>Other Governmental Funds</u>	<u>Total</u>
\$ -	\$ 1,002	\$ 7,806,690
500,303	14,094,935	19,456,367
-	571,519	913,345
-	1,173,198	1,184,210
-	2,086,391	2,086,391
-	465,793	465,793
-	6,042,006	6,042,006
-	108,594	108,594
-	-	1,074,150
-	2,373,371	5,653,656
-	881	243,442
-	(235,914)	(926,999)
-	403,527	575,058
<u>500,303</u>	<u>27,085,303</u>	<u>44,682,703</u>
-	2,530,058	8,213,483
-	6,283,557	13,536,681
-	4,015,849	4,015,849
-	5,546,732	5,786,380
-	3,765,896	11,529,267
-	995,000	995,000
239,938	682,694	922,632
<u>239,938</u>	<u>23,819,786</u>	<u>44,999,292</u>
<u>260,365</u>	<u>3,265,517</u>	<u>(316,589)</u>
-	-	33,959
(10,095,000)	-	(10,095,000)
11,000,000	4,866,664	19,985,808
-	(6,796,993)	(19,491,808)
<u>905,000</u>	<u>(1,930,329)</u>	<u>(9,567,041)</u>
1,165,365	1,335,188	(9,883,630)
<u>800,695</u>	<u>36,240,156</u>	<u>65,582,879</u>
<u>\$ 1,966,060</u>	<u>\$ 37,575,344</u>	<u>\$ 55,699,249</u>

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STATE OF NEW MEXICO

McKinley County

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

Exhibit B-2

Page 2 of 2

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	\$	(9,883,630)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures		11,628,352
Depreciation expense		(3,908,053)
Loss on disposal of assets on statement of activities		(322,897)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds:

Change in deferred revenue related to property taxes receivable		(97,319)
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Expenses in the Statement of Activities that do not consume current financial resources are not reported as expenditures in the funds:

Increase in accrued compensated absences		(112,402)
Current year landfill postclosure expenses		30,000

The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Decrease in accrued interest payable		42,103
Retirement of bond issuance costs		(254,029)
Retirement of discount		(26,476)
Amortization of bond premium		11,890
Amortization of bond issuance costs		(21,813)
Amortization of bond discount		(3,614)
Principal payments on bonds		995,000
Payments to bond escrow agent		10,095,000

Change in net position of governmental activities	\$	<u><u>8,172,112</u></u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-1

McKinley County

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ 7,266,049	\$ 7,266,049	\$ 7,793,682	\$ 527,633
Gross receipts	2,900,000	2,900,000	3,513,290	613,290
Gasoline and motor vehicle	300,000	300,000	343,918	43,918
Other	12,000	12,000	11,149	(851)
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	997,530	997,530	1,074,150	76,620
Charges for services	182,550	182,550	351,970	169,420
Investment income	320,000	320,000	242,561	(77,439)
Net increase (decrease) in the fair value of investments	-	-	(691,085)	(691,085)
Miscellaneous	114,000	114,000	148,264	34,264
<i>Total revenues</i>	<u>12,103,129</u>	<u>12,103,129</u>	<u>12,787,941</u>	<u>684,812</u>
<i>Expenditures:</i>				
Current:				
General government	7,525,550	7,410,608	5,661,500	1,749,108
Public safety	4,704,018	4,723,084	3,615,344	1,107,740
Public Works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	240,738	254,287	251,162	3,125
Capital outlay	26,000	212,467	171,389	41,078
<i>Total expenditures</i>	<u>12,496,306</u>	<u>12,600,446</u>	<u>9,699,395</u>	<u>2,901,051</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(393,177)</u>	<u>(497,317)</u>	<u>3,088,546</u>	<u>3,585,863</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	11,849,733	12,900,488	-	(12,900,488)
Proceeds from sale of equipment	2,500	2,500	33,959	31,459
Transfers in	387,944	389,144	119,144	(270,000)
Transfers (out)	(11,847,000)	(12,794,815)	(12,694,815)	100,000
<i>Total other financing sources (uses)</i>	<u>393,177</u>	<u>497,317</u>	<u>(12,541,712)</u>	<u>(13,039,029)</u>
<i>Net change in fund balance</i>	-	-	(9,453,166)	(9,453,166)
<i>Fund balance - beginning of year</i>	-	-	23,290,365	23,290,365
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,837,199</u>	<u>\$ 13,837,199</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (9,453,166)
Adjustments to revenues for property tax and grant revenues				108,263
Adjustments to expenditures for insurance, materials, other charges, and payroll expenditures				10,288
Net change in fund balance (GAAP)				<u>\$ (9,334,615)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 McKinley County
 Adult Detention Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget (Non-GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,050,000	1,050,000	1,147,997	97,997
Gasoline and motor vehicle	-	-	-	-
Other	300,000	300,000	-	(300,000)
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	2,888,000	2,887,800	2,546,775	(341,025)
Investment income	-	-	-	-
Miscellaneous	11,000	11,200	31,368	20,168
<i>Total revenues</i>	<u>4,249,000</u>	<u>4,249,000</u>	<u>3,726,140</u>	<u>(522,860)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	4,190,648	4,222,926	3,633,189	589,737
Public Works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	7,283	-	7,283
<i>Total expenditures</i>	<u>4,190,648</u>	<u>4,230,209</u>	<u>3,633,189</u>	<u>597,020</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>58,352</u>	<u>18,791</u>	<u>92,951</u>	<u>74,160</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(158,352)	(118,791)	-	118,791
Transfers in	100,000	100,000	100,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(58,352)</u>	<u>(18,791)</u>	<u>100,000</u>	<u>118,791</u>
<i>Net change in fund balance</i>	-	-	192,951	192,951
<i>Fund balance - beginning of year</i>	-	-	(528,987)	(528,987)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (336,036)</u>	<u>\$ (336,036)</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 192,951
Adjustments to revenues for gross receipts taxes and charges for service				474,753
Adjustments to expenditures for repairs and maintenance and supplies				(37,334)
Net change in fund balance (GAAP)				<u>\$ 630,370</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
McKinley County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013

Exhibit D-1

<i>Assets</i>	
Cash	\$ 702,716
Taxes receivable	<u>1,421,263</u>
<i>Total assets</i>	<u><u>\$ 2,123,979</u></u>
 <i>Liabilities</i>	
Accounts payable	\$ 1,810
Due to other taxing entities	1,421,263
Deposits held in trust	<u>700,906</u>
<i>Total liabilities</i>	<u><u>\$ 2,123,979</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies

McKinley County is a political sub-division of the State of New Mexico established under the provisions of Section 14-14-1 of NMSA, 1978 compilation and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissions-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, low rent housing assistance, planning and zoning, property assessment, tax collection and general administrative services.

McKinley County is a body politic and corporate under the name and form of government selected by its qualified electors. The County may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico.
6. Protect generally the property of its county and its inhabitants;
7. Preserve peace and order within the county; and
8. Establish rates for services provided by the County utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of McKinley County is presented to assist in the understanding of McKinley County's financial statements. The financial statements and notes are the representation of McKinley County's management who is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. During the year ended June 30, 2013, the County adopted Governmental Accounting Standards Board (GASB) Statements No. 60 through 63. GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. The County does not have any Service Concession Arrangements. GASB Statement No. 61, The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34, modifies certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA Pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

A. Financial Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

A. Financial Reporting Entity (continued)

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County does not have any component units required to be reported under GASB Statements No. 14, No. 39, and No. 61.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County does not have any *business-type activities*.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

In the government-wide Statement of Net Position, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The County's net position is reported in three parts – Net investment in capital assets; restricted net position; and unrestricted net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements of time, reimbursement and contingencies imposed by the provider are met.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Program revenues included in the Statement of Activities are derived directly from the program itself or from parties outside the County's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the County's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for fees and use of County facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The County reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The County does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Under the requirements of GASB Statement No. 34, the County is required to present certain governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following, which includes funds that were not required to be presented as major but were at the discretion of management:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Adult Detention Special Revenue Fund* is used to account for the fiscal operation and reporting of the Gallup McKinley Detention Center. The administration is handled by the local Jail Authority Board.

The *Judicial Complex Construction Capital Projects Fund* is to account for construction of the Judicial Complex.

The *Courthouse Project Debt Service Fund* is to account for monies designated for the retirement of debt associated with the construction and renovation of the County Courthouse.

Additionally, the government reports the following agency fund:

Fiduciary funds are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies. The agency fund is used to account for collection and disbursement of inmate funds for the McKinley County Detention Center. In addition, the agency fund will track and account for items held for the fire departments located within McKinley County.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Fund Equity

Deposits and Investments: The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, Federal Home Loan investments, and the State Treasurer's Investment Pool.

Investments for the County are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2013 the County maintained \$2,935 in the LGIP reserve contingency fund.

Receivables and Payables: Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded as revenue when levied net of estimated refunds and uncollectable amounts.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after May 10th are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

Restricted Assets: Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. McKinley County was a phase II government for purposes of implementing GASB Statement No. 34. Therefore, the County was required to report its major general infrastructure assets retroactively to June 30, 1980. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5).

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Fund Equity (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	40
Land improvements	20
Buildings and improvements	45
Vehicles and rolling stock	5-20
Machinery, equipment & other	5-20

Accrued Expenses: Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2013, along with applicable PERA, FICA, and Medicare payable.

Deferred Revenues: There are two types of deferred revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (commonly referred to as unearned revenue). The other type of deferred revenue is “unavailable revenue.” Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred revenue.

Compensated Absences: Qualified employees are entitled to earn annual leave according to a graduated leave schedule of ten days to twenty days per year, depending on length of service. Employees may accumulate up to 240 hours (thirty days) of annual leave and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for up to 240 hours (thirty days) of accrued annual leave.

Qualified employees are entitled to earn sick leave at a rate of thirteen days per year. Sick leave can be carried over from year to year for an unlimited amount of hours. Upon termination, retiring employees will be paid for up to 250 hours (sixty five days) of accrued sick leave.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net position.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Fund Equity (continued)

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. For bonds issued after GASB Statement No. 34 was implemented, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. For fund financial reporting, bond premiums, discounts as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing sources, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Fund Balance Classification Policies and Procedures: For committed fund balance, the County's highest level of decision-making authority is the County Commission. The formal action that is required to be taken to establish a fund balance commitment is the County Commission.

For assigned fund balance, the County Commission or an official or body to which the County Commission delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the County considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the County considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Nonspendable Fund Balance: At June 30, 2013, the County did not have any nonspendable fund balance categorized in the governmental funds balance sheet as detailed on pages 22-23.

Restricted and Committed Fund Balance: At June 30, 2013, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$40,186,642 for various County operations as restricted by enabling legislation. The County has also presented committed fund balance on the governmental funds balance sheet in the amount of \$3,986,185 in order to provide services throughout the County. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 22-23.

Minimum Fund Balance Policy: The County's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 3/12th the General Fund expenditures and a cash reserve of 1/12th the Road Special Revenue Fund. At June 30, 2013, the County maintains \$2,706,080 as minimum fund balances.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Fund Equity (continued)

Net Position: Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets: This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position: Net Position is reported as restricted when constraints placed on net position use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described on pages 37 and 60-63.
- c. Unrestricted Net Position: Net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the County are management’s estimate of depreciation on assets over their estimated useful lives and accrued compensated absences.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the County Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total at the fund level.

These budgets are prepared on the Non-GAAP cash budgetary basis. Budgetary basis expenditures exclude encumbrances. The budget secures appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by County Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2013

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information

	Excess (deficiency) of revenues over expenditures	
	Original	Final
	Budget	Budget
Budgeted Funds:		
General Fund	\$ (393,177)	\$ (497,317)
Adult Detention Special Revenue Fund	\$ 58,352	\$ 18,791
Judicial Complex Construction Capital Projects Fund	\$ (9,500,000)	\$ (9,500,000)
Courthouse Project Debt Service Fund	\$ 735,091	\$ 1,193,595
Other Governmental Funds	\$ (13,210,447)	\$ (15,589,763)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2013 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 3. Deposits and Investments

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2013.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

By operation of federal law, beginning January 1, 2013, funds deposited in a noninterest-bearing transaction account (including an Interest on Lawyer Trust Account) no longer will receive unlimited deposit insurance coverage by the FDIC. Beginning January 1, 2013, all of the County's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the Standard Maximum Deposit Insurance Amount of \$250,000.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2013, \$23,210,068 of the County's bank balance of \$24,559,286 was exposed to custodial credit risk. Although the \$23,210,068 was uninsured, it was collateralized by collateral held by the pledging bank's trust department, not in the County's name. None of the County's deposits were uninsured and uncollateralized at June 30, 2013.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2013

NOTE 3. Deposits and Investments (continued)

	<u>US Bank</u>	<u>Pinnacle Bank</u>	<u>Washington Federal Bank</u>	<u>Wells Fargo Bank</u>
Amount of deposits	\$ 2,502,736	\$ 7,398,262	\$ 5,000,984	\$ 9,558,086
FDIC coverage	<u>(250,000)</u>	<u>(500,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>
Total uninsured public funds	<u>2,252,736</u>	<u>6,898,262</u>	<u>4,750,984</u>	<u>9,308,086</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>2,252,736</u>	<u>6,898,262</u>	<u>4,750,984</u>	<u>9,308,086</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50%)	\$ 1,126,368	\$ 3,449,131	\$ 2,375,492	\$ 4,654,043
Pledged securities	<u>2,332,236</u>	<u>30,806,915</u>	<u>4,897,867</u>	<u>9,856,360</u>
Over (under) collateralized	<u>\$ 1,205,868</u>	<u>\$ 27,357,784</u>	<u>\$ 2,522,375</u>	<u>\$ 5,202,317</u>
	<u>First Financial Credit Union</u>	<u>Total</u>		
Amount of deposits	\$ 99,218	\$ 24,559,286		
FDIC coverage	<u>(99,218)</u>	<u>(1,349,218)</u>		
Total uninsured public funds	<u>-</u>	<u>23,210,068</u>		
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>-</u>	<u>23,210,068</u>		
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>		
Collateral requirement (50%)	\$ -	\$ 11,605,034		
Pledged securities	<u>-</u>	<u>47,893,378</u>		
Over (under) collateralized	<u>\$ -</u>	<u>\$ 36,288,344</u>		

The collateral pledged is listed on Schedule I of this report. The types of collateral are limited to direct obligations of the United States Government and all bonds issued by any agency, district, or political subdivision of the State of New Mexico.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2013

NOTE 3. Deposits and Investments (continued)

Investments

Credit Risk

The New MexiGROW Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The LGIP's investments are monitored by the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1(F), NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the LGIP is voluntary.

As of June 30, 2013, the County's investment in the State Treasurer Local Government Investment Pool- Reserve Contingency Fund was unrated.

As of June 30, 2013, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
LGIP Reserve Contingency Fund	NA	\$ 2,935	unrated
U.S. Treasury Money Market Mutual Funds	>365	678,156	AA+*
Federal Home Loan	<5 year	29,438,465	Aaa*
		<u>\$ 30,119,556</u>	

*Rating based on Moody's rating

The investments are listed on Schedule II of this report. At year end June 30, 2013, there was \$9,602,938 of certificates of deposits, classified as investments at Exhibit B-1. At June 30, 2013, there was \$9,114 of U.S. Treasury MMA Mutual Funds classified as cash and cash equivalents related to the County's agency fund at Exhibit D-1.

Interest Rate Risk – Investments. The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Concentration of Credit Risk – Investments. For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the County. The investments in the New MexiGROW LGIP, and Federal Home Loan represent 1% and 99% respectively, of the investment portfolio. Since the County only purchases investments with the highest credit rating, the concentration is not viewed to be an additional risk by the County. The County's policy related to concentration of credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

The County utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2013

NOTE 3. Deposits and Investments (continued)

Reconciliation of Cash and Cash Equivalents

Primary Government

Reconciliation to the Statement of Net Position

Cash and cash equivalents per Exhibit A-1	\$ 11,534,835
Investments per Exhibit A-1	39,713,380
Restricted cash and cash equivalents per Exhibit A-1	551,547
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit D-1	<u>702,716</u>
Total cash, cash equivalents, and investments	52,502,478
Add: outstanding checks	2,621,374
Less: Investments that are not certificates of deposits	(30,116,621)
Less: deposits in transit	(443,910)
Less: LGIP investments	(2,935)
Less: petty cash	<u>(1,100)</u>
Bank balance of deposits	<u><u>\$ 24,559,286</u></u>

NOTE 4. Receivables

Receivables as of June 30, 2013, are as follows:

	General Fund	Adult Detention Fund	Other Governmental Funds	Total
Property taxes	\$ 469,940	\$ -	\$ 3,567	\$ 473,507
Other taxes:				
Gross receipts taxes	322,789	174,749	2,009,166	2,506,704
Gasoline and oil taxes	-	-	23,934	23,934
Other receivables:				
Charges for services	3,199	748,677	1,007,192	1,759,068
Intergovernmental:				
State	33,101	-	805,047	838,148
Federal	866	-	82,685	83,551
Miscellaneous	-	-	72,508	72,508
Totals	<u><u>\$ 829,895</u></u>	<u><u>\$ 923,426</u></u>	<u><u>\$ 4,004,099</u></u>	<u><u>\$ 5,757,420</u></u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$364,168 that were not collected within the period of availability have been reclassified as deferred revenue in the governmental fund financial statements.

All of the above receivables are deemed to be fully collectible.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2013

NOTE 5. Interfund Receivables, Payables, and Transfers

Net operating transfers, made to close out funds and to supplement other funding sources in the normal course of operations, were as follows:

Transfers Out	Transfers In	Amount
General Fund	Farm & Range	\$ 7,000
General Fund	Highway Beautification Grant	10,000
General Fund	Senior Citizens Centers	30,000
General Fund	Indigent Health Care Fund	800,000
General Fund	Forest Reserve	47,815
General Fund	JSAAC Center	300,000
General Fund	Federal Grants	200,000
General Fund	Judicial Complex Construction	300,000
General Fund	Courthouse Project	11,000,000
Environmental Gross Receipts Taxes	CDBG Planning	15,000
Law Enforcement Protection	General Fund	1,200
Emergency Communication & Medical	EMS	84,600
Emergency Communication & Medical	EMS	400,000
Emergency Communication & Medical	E911 Metro Dispatch	2,222,014
Indigent Health Care Fund	General Fund	26,400
Rural Public Safety	Sheriff's Grants	80,000
Rural Public Safety	Narcotic Drug Control & K-9 Drug Unit	55,000
Rural Public Safety	Emergency Management	121,235
Capital Projects	Judicial Complex Construction	3,600,000
Infrastructure Gross Receipts	Adult Detention Fund	100,000
Courthouse Annex	General Fund	87,044
General Obligation Bonds	General Fund	4,500
		<u>\$ 19,491,808</u>

Exhibit B-2 noted \$19,985,808 of transfers in, and \$19,491,808 of transfers out, leaving a difference of \$494,000, which is due to the County transferring \$494,000 from an agency fund during the fiscal year 2013.

Interfund receivables as of June 30, 2013 consisted of the following:

Due From	Due To	Amount
General Fund	Sheriff's Grants	\$ 59,655
General Fund	Adult Detention Fund	336,036
		<u>\$ 395,691</u>

All funds that maintain interfund balances will be expected to be paid back within one year.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2013

NOTE 6. Capital Assets

The following is a summary of capital assets and changes occurring during the year ended June 30, 2013. Land and construction in progress are not subject to depreciation.

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 3,765,416	\$ -	\$ -	\$ 3,765,416
Construction in progress	1,810,814	9,024,158	2,202,049	8,632,923
Total capital assets not being depreciated	5,576,230	9,024,158	2,202,049	12,398,339
Capital assets being depreciated:				
Infrastructure	27,766,389	-	-	27,766,389
Land improvements	4,080,323	-	-	4,080,323
Building and improvements	55,901,681	2,342,120	4,500	58,239,301
Vehicles and rolling stock	20,115,809	1,612,100	925,030	20,802,879
Machinery, equipment & other	6,601,453	811,553	867,534	6,545,472
Total capital assets being depreciated	114,465,655	4,765,773	1,797,064	117,434,364
Less accumulated depreciation:				
Infrastructure	17,925,485	857,532	-	18,783,017
Land improvements	2,765,999	255,060	-	3,021,059
Building and improvements	14,235,392	1,293,459	2,357	15,526,494
Vehicles and rolling stock	13,632,450	1,055,646	756,223	13,931,873
Machinery, equipment & other	4,636,346	446,356	756,057	4,326,645
Total accumulated depreciation	53,195,672	3,908,053	1,514,637	55,589,088
Total capital assets, net of depreciation	\$ 66,846,213	\$ 9,881,878	\$ 2,484,476	\$ 74,243,615

The County deleted \$40,470 of CIP in current year from their roll forward due to the project being scrapped.

Also, during the physical inventory count in the current year, the County added an asset purchased in prior year to the asset inventory in the amount of \$99,085.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2013

NOTE 6. Capital Assets (continued)

Depreciation expense for the year ended June 30, 2013 was charged to the functions of the governmental activities as follows:

General Government	\$ 1,020,596
Public Safety	1,756,315
Public Works	1,029,363
Health and Welfare	101,779
	<u>\$ 3,908,053</u>

NOTE 7. Long-term Debt

During the year ended June 30, 2013, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2013</u>	<u>Due Within</u> <u>One Year</u>
Gross Receipts Revenue Bonds	\$ 25,830,000	\$ -	\$ 11,090,000	\$ 14,740,000	\$ 540,000
Landfill Closure/Post Closure Costs	128,000	-	30,000	98,000	30,000
Compensated Absences	<u>423,038</u>	<u>534,658</u>	<u>422,251</u>	<u>535,445</u>	<u>422,251</u>
Total long-term debt	<u>\$ 26,381,038</u>	<u>\$ 534,658</u>	<u>\$ 11,542,251</u>	<u>\$ 15,373,445</u>	<u>\$ 992,251</u>

Gross Receipts Revenue Bonds

Bonds outstanding at June 30, 2013 consisted of the following bonds:

Series 2008, GRT Improvement Revenue Bonds

Original issue	\$ 10,350,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2030
Interest rates	3.500-5.000%

Series 2010, GRT Improvement Revenue Bonds

Original issue	\$ 6,445,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2030
Interest rates	2.000-4.000%

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2013

NOTE 7. Long-term Debt (continued)

Gross Receipts Revenue Bonds (continued)

The annual requirements to amortize the Bonds Payable as of June 30, 2013, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2014	\$ 540,000	\$ 643,094	\$ 1,183,094
2015	560,000	620,244	1,180,244
2016	585,000	600,444	1,185,444
2017	600,000	579,744	1,179,744
2018	625,000	555,744	1,180,744
2019-2023	3,525,000	2,388,931	5,913,931
2024-2028	4,365,000	1,546,613	5,911,613
2029-2030	3,940,000	522,625	4,462,625
	<u>\$ 14,740,000</u>	<u>\$ 7,457,439</u>	<u>\$ 22,197,439</u>

Operating Leases

The County leases equipment under cancelable operating leases. Total costs for such leases were approximately \$37,438 for the year ended June 30, 2013. The future minimum lease payments for these leases for 2014-2015 are \$37,438 and \$3,120 respectively.

Landfill Closure and Post-Closure Care Costs

State and Federal laws and regulations require that McKinley County place final covers on its landfills when it is closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. McKinley County had landfill sites at Smith Lake and Gamerco, which were closed by June 30, 1997.

The estimated total cost of the landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor and maintain the landfill were acquired as of June 30, 2004. An updated estimate (the third estimate) was performed in 2009. Current year deletions were based off of estimated costs from the Solid Waste Fund. The balance at June 30, 2013 is \$98,000.

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2013, compensated absences increased \$112,407 over the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities.

NOTE 8. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters.

McKinley County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The County is not liable for more than the premiums paid.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2013

NOTE 9. Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

- A. There were no funds that had a deficit fund balance as of June 30, 2013.
- B. Excess of expenditures over appropriations. The following funds maintained expenditures in excess of the budget for the year ended June 30, 2013:

General Revenue/Gross Receipts Tax Bonds/Notes	\$ 360,000
Courthouse Project	232,813
	\$ 592,813

- C. Designated cash appropriations in excess of available balances. The following funds had designated cash appropriations in excess of available budget at June 30, 2013:

Law Enforcement Protection	\$ 40
JSAAC Center	84,254
Judicial Complex Construction	1,315
	\$ 85,609

NOTE 10. Pension Plan - Public Employees Retirement Association

Plan Description: Substantially all of McKinley County's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978.) The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us

Funding Policy: Plan members are required to contribute the following percentages of their gross salary: 16.3% for law enforcement and fire protection; and 3.29% for County employees. The County is required to contribute the following percentages of the gross covered salary: 18.5% for law enforcement and fire protection plan members; and 19.01% for County plan members. The contribution requirements of plan members and McKinley County are established in State Statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the fiscal years ended June 30, 2013, 2012, and 2011 were \$1,674,894, \$1,704,791, and \$1,416,600, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. McKinley County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan (continued)

person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

Funding Policy. The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at www.nmrhca.state.nm.us.

The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2013, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

McKinley County's contributions to the RHCA for the years ended June 30, 2013, 2012, and 2011 were \$182,070, \$175,612, and \$156,652, respectively, which equal the required contributions for each year.

NOTE 12. Contingent Liabilities

The County is party to various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico County Insurance Authority. The maximum exposure of the County is not estimable as of June 30, 2013 in the remaining cases.

Contingent Debt Obligation

McKinley County entered into a joint powers agreement with the Cities of Gallup and Grants, the Village of Milan and the County of Cibola, to form the Northwest New Mexico Regional Solid Waste Disposal Authority on November 1, 1996.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 12. Contingent Liabilities (continued)

Ordinance Nov-02-091 was approved on December 12, 2002 by the County Commissioners to authorize the execution and delivery of loan agreement by and between the County, as well as other member entities, and the New Mexico Finance Authority. The loan agreement called for the issuance of debt to consolidate and refund (or pay-off) prior loans. The amount of the obligation authorized by the Ordinance Nov-02-091 was \$5,600,000.

This debt obligation is payable solely from the net revenues of the Northwest New Mexico Regional Solid Waste Disposal Authority, and if needed, Environmental Gross Receipts Tax (EGRT) Revenues from the aforementioned Cities, Counties, and Village including McKinley County. Effective July 30, 2005, an agreement was entered into by the member entities to change the percentage of contribution of monthly EGRT collected from 25% to 50% for operation expenses and equipment replacement.

NOTE 13. Commitments

The County has various construction and purchase commitments totaling approximately \$4,271,136 as of June 30, 2013. The funding to cover the various commitments was bond and/or note proceeds, including bonds, grants, and cash reserves.

NOTE 14. Related Party

The County has entered into related party transactions with one of its Commissioners whose term ended January 1, 2013. The Commissioner owns a plumbing company that provides plumbing services, which include labor, equipment, and materials. The company repairs County owned or occupied buildings as needed. The total expense amount for fiscal year 2013 is \$695,827 for prior year invoices and non contract or emergency work for current year.

NOTE 15. Restricted Components of Net Position

The government-wide statement of net position reports \$48,932,812 of restricted assets, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, debt service and capital project funds, see pages 37, and 60-63.

NOTE 16. Joint Powers Agreements and Memos of Understanding

JPA Participants – City of Gallup
Responsible party – Each participant
Description – Distribution of Liquor Excise Taxes
Contract period- Fiscal year 2012- 2014
Estimated amount of project – Unknown
Cost to the County: Unknown
Audit responsibility – Each participant
Fiscal agent – McKinley County

JPA Participants – City of Gallup
Responsible party – Each participant
Description – Payment for Construction of Navajo-Gallup Water Supply Project (NGWSP)
Contract period- Fiscal year 2012- infinity
Estimated amount of project – Unknown
Cost to the County: Unknown
Audit responsibility – Each participant
Fiscal agent – City of Gallup

MOU Participants – Red Rock Ranchers LLP
Responsible party – Each participant
Description – Provide water for County Projects
Contract period- Unknown
Estimated amount of project – Unknown
Cost to the County: Unknown
Audit responsibility – Each participant
Fiscal agent – McKinley County

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 17. Subsequent Events

In 2013, McKinley County received a Title III grant from the United States Forest Service in the amount of \$11,471 under the Secure Rural Schools and Community Self-Determination Act. This funding will be returned to the Forest Reserve due to limited availability on the funding program. Funding can only be used for specialized qualified programs that McKinley County did not qualify for this fiscal year.

In 2013, McKinley County entered into a JPA with the City of Gallup to construct the Navajo-Gallup Water Pipeline. The County has agreed to match the City of Gallup's construction monies for the pipeline up to \$1,000,000 per year for the next 35 years.

The date to which events occurring after June 30, 2013, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is November 1, 2013 which is the date on which the financial statements were issued.

NOTE 18. Subsequent Pronouncements

In March 2012, Statement No. 65 *Items Previously Reported as Assets and Liabilities*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2014.

In March 2012, GASB Statement No. 66 *Technical Corrections-2012-an amendment of the GASB Statements No. 10 and No. 62*, Effective Date: The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The County will implement this standard during fiscal year June 30, 2014.

In June 2012, Statement No. 67 *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2013. Earlier application is encouraged. The standard is expected to have no effect on the County in upcoming years.

In June 2012, Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2014. Earlier application is encouraged. The standard will be implemented during fiscal year June 30, 2016.

In January 2013, GASB Statement No. 69 *Government Combinations and Disposals of Government Operations*, Effective Date: The requirements of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. Earlier application is encouraged. The provisions of this Statement generally are required to be applied prospectively.

In April 2013, GASB Statement No. 70 *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, Effective Date: The provisions of this Statement are effective for reporting periods beginning after June 15, 2013. Earlier application is encouraged. Except for disclosures related to cumulative amounts paid or received in relation to a financial guarantee, the provisions of this Statement are required to be applied retroactively. Disclosures related to cumulative amounts paid or received in relation to a financial guarantee may be applied prospectively. The County is still evaluating how this reporting standard will affect the reporting entity.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2013

NOTE 19. Federal and State Grants

In the normal course of operations, the County receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. The County expects any liability for reimbursement which may arise as a result of these audits to be immaterial.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
McKinley County
Nonmajor Governmental Fund Descriptions
June 30, 2013

Special Revenue Funds

Correction Fees – To account for correction fees authorized by Section 34-14-11, NMSA, 1978. Such revenues are used to supplement general funds for the care of prisoners.

Environmental Gross Receipts Taxes – To account for a gross receipts tax imposed to fund environmental activities, mainly sanitary landfill closure and disposal of solid waste. Authority is local ordinance authorized by NMSA 1978 7-20E-17.

Property Valuation – To account for funds used to provide valuation services to the County and other local entities. This fund was created by authority of state statute (see Section 7-38-38.1, NMSA, 1978 Compilation).

Road Fund- This fund is used to account for the distribution of gasoline taxes and motor vehicle registration fees to the County and the expenditure for construction, reconstruction, resurfacing or other improvement or maintenance of public roads as authorized by NMSA 1978 Section 7-24A-5.

Hazardous Material Support Services – To account for funds transferred from the Fire Excise fund utilized for special equipment, uniforms and protective clothing required for hazardous materials handling and disposal. The fund was set up administratively.

EMS – To account for grants from the State of New Mexico Health and Environmental Department to be utilized for capital outlay for fire personnel as paramedics. Funding is authorized by Section 24-10a-6, NMSA, 1978 Compilation.

E911 Metro Dispatch – To account for funds received from the State Funds for E-911 enhancement received from DFA and GRT. The funds are utilized for operational costs and capital outlay. The fund was set up administratively.

Farm & Range – To account for soil conservation and predator control activities within the County. Funding is provided by the Taylor Grazing Act. Expenditures may be made only for the purposes specified in the grant. Funding authorized by Section 6-11-6, NMSA, 1978 Compilation.

Fire Protection District – To account for revenues and expenditures of fire protection funds for the communities of Broadview, Pleasant Hill, and Field. Funding is provided by allotments from the New Mexico State Fire Marshall's Office. The Funds were created under the authority of state statute (see Section 59A-93-5-8 and 5-A-53-5, NMSA, 1978 Compilation).

Highway Beautification Grant - To account for revenues and expenditures for the New Mexico Clean and Beautiful Project. The fund was created by authority of state statute (see Section 67-15-1 through 67-16-4 of NMSA).

Law Enforcement Protection – To account for revenues and expenditures for maintaining and improving the County's law enforcement department in order to enhance its efficiency and effectiveness. Funding is from the State appropriation authorized by Section 29-13-3f, NMSA.

Liquor Excise Tax – A locally assessed 5 % tax on retail liquor sales within McKinley County, which was adopted through Ordinance 09-92-048, for the purpose of funding alcohol treatment programs. Local ordinance authorized by Section 7-24-10, NMSA, 1978 Compilation.

Emergency Communication & Medical - To account for gross receipts tax set aside for emergency communications 911 Metro Dispatch and emergency medical services (County Ordinance SEPT-02-089).

Community Health Improvement - To account for State and/or local funds which are used to implement the County's Maternal and Child Health Plan as authorized by state statute (see Section 24-1 B, NMSA, 1978 Compilation).

Senior Citizens Center - To account for the operations of the County's portion of two Senior Citizen Centers. The sales of ceramics, fees, and dues as well as Federal and State funding relating to the Senior Citizen program are accounted for in this fund. The operations are funded by McKinley County general funds. The fund was set up administratively.

STATE OF NEW MEXICO
McKinley County
Nonmajor Governmental Fund Descriptions
June 30, 2013

Indigent Health Care – To account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute (see Section 7-2OE-9, NMSA, 1978 Compilation and McKinley County Ordinance No. 07-88-032.9).

Fire Excise Tax – To account for funds received pursuant to the County’s fire protection excise tax ordinance 07-93-053 as authorized by Sections 7-20E-15, NMSA, 1978. Funds are used to supplement the County’s fire districts and cannot be used to pay salaries, compensation or remuneration to any employee of the State, County or independent fire district.

Local DWI Program - To account for various Federal, State and Local funds received by the County to implement the County’s DWI plans as authorized pursuant to state statute (see Section 43-3-15, NMSA, 1978 Compilation).

Clerk Recording & Filing – To account for revenues and expenditures for control of equipment. The fees collected are restricted in that they may only be used for the purchase of equipment associated with the recordings, filing, maintaining, or reproducing of documents in the Office of the County Clerk. This fund was created by the authority of state statute (see Section 14-8-2.2, NMSA, 1978 Compilation).

Magistrate Court - To account for funds received pursuant to a joint powers agreement with the State Administrative Office of Courts for Maintenance and Operation of the Magistrate Court Building.

Sheriff’s Grants – Various law enforcement oriented grants utilized by the Sheriff’s Department to fund personnel and equipment. Fund was created administratively.

Narcotic Drug Control & K-9 Drug Unit - To account for various law enforcement agencies from forfeitures of seized drugs to supplement other funding for uses involving drug interdiction and K-9 unit. Fund was created administratively.

Federal Office of Justice – Law Enforcement Grant- To account for federal grants awarded from the Office of Justice Program and the Federal Vest Program and others if awarded.

Law Enforcement Seizures – To account for monetary seizures made by the McKinley County Sherriff’s Department while cases are pending litigation and disposition.

Emergency Management –A special revenue fund used to account for monies kept as reserves for emergency management.

Forest Reserve – To account for expenditures related to Title II monies received by the County. (see McKinley County Ordinance No. Oct- 12- 54)

JSAAC Center – To account for the expenditures related to the Juvenile Alcohol/Substance Abuse facility.

CDBG Planning – To account for the CDBG and local funds to do major repairs and improvements for the Thoreau Water Project.

Rural Public Safety – To account for gross receipts taxes (1/16%) collected for the public safety expenditures for the citizens of McKinley County. Authorized by Ordinance No. AUG-98-075.

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STATE OF NEW MEXICO
McKinley County
Nonmajor Governmental Fund Descriptions
June 30, 2013

Capital Projects Fund

Capital Projects – To account for the expenditures related to the construction of capital projects.

Federal Grants– To account for the expenditures related to the construction of capital projects funded partly or fully by federal grants.

CDBG/Thoreau Wastewater – To account for the CDBG funds related to the Thoreau Wastewater operations.

Infrastructure Gross Receipts– To account for monies received through infrastructure gross receipts tax for the purpose of monitoring County infrastructure and road equipment, July 2009.

Courthouse Annex– To account for the resources used for the remodel and construction of an annex to the courthouse of the County. Monies are provided by the County government and bonds.

State Projects – To account for funding from state sources used for various projects.

Debt Service Funds

General Obligation Bonds– To account for the accumulation of resources, and the payment of, general long-term debt principle, interest and related costs of gross receipts tax bonds. The primary source of revenue is property taxes.

General Revenue/Gross Receipts Tax Bonds/Notes– To account for gross receipts tax for intercept payment to the New Mexico Finance Authority to retire outstanding notes.

Law Enforcement JDC Bond – To account for funding from sources used for the Law Enforcement JDC Building.

Judicial Complex – To account for monies designated for the retirement of debt associated with the construction of the Judicial Complex.

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2013

Special Revenue

	Correction Fees	Environmental Gross Receipts Taxes	Property Valuation	Road Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 738,439	\$ 405,643	\$ 339,046	\$ 292,239
Investments	-	1,989,308	-	1,500,000
Receivables:				
Property taxes	-	-	-	-
Other taxes	74,892	22,666	-	132,100
Other receivables	74,815	-	-	559,938
<i>Total assets</i>	<u>\$ 888,146</u>	<u>\$ 2,417,617</u>	<u>\$ 339,046</u>	<u>\$ 2,484,277</u>
<i>Liabilities</i>				
Accounts payable	\$ 4,898	\$ 88,136	\$ 366	\$ 96,999
Accrued payroll	24,254	-	5,027	58,747
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>29,152</u>	<u>88,136</u>	<u>5,393</u>	<u>155,746</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	2,329,481	333,653	-
Maintenance of roads	-	-	-	2,044,727
Fire departments	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	858,994	-	-	-
Senior center	-	-	-	-
Minimum fund balance	-	-	-	283,804
<i>Total fund balances</i>	<u>858,994</u>	<u>2,329,481</u>	<u>333,653</u>	<u>2,328,531</u>
<i>Total liabilities and fund balances</i>	<u>\$ 888,146</u>	<u>\$ 2,417,617</u>	<u>\$ 339,046</u>	<u>\$ 2,484,277</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Hazardous Material Support Services	EMS	E911 Metro Dispatch	Farm & Range	Fire Protection District
\$ 53,331	\$ 267,878	\$ 1,388,836	\$ 9,668	\$ 551,547
-	-	-	-	1,502,736
-	-	-	-	-
-	-	332,602	-	-
-	13,973	23,021	-	-
<u>\$ 53,331</u>	<u>\$ 281,851</u>	<u>\$ 1,744,459</u>	<u>\$ 9,668</u>	<u>\$ 2,054,283</u>
\$ 383	\$ 60,551	\$ 10,583	\$ -	\$ 104,260
-	14,980	62,333	-	-
-	-	-	-	-
-	-	-	-	-
<u>383</u>	<u>75,531</u>	<u>72,916</u>	<u>-</u>	<u>104,260</u>
52,948	-	-	9,668	-
-	-	-	-	-
-	-	-	-	1,950,023
-	-	1,671,543	-	-
-	206,320	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>52,948</u>	<u>206,320</u>	<u>1,671,543</u>	<u>9,668</u>	<u>1,950,023</u>
<u>\$ 53,331</u>	<u>\$ 281,851</u>	<u>\$ 1,744,459</u>	<u>\$ 9,668</u>	<u>\$ 2,054,283</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2013

Special Revenue

	Highway Beautification Grant	Law Enforcement Protection	Liquor Excise Tax	Emergency Communication & Medical
<i>Assets</i>				
Cash and cash equivalents	\$ 22,260	\$ 205	\$ 1,361,840	\$ 635,246
Investments	-	-	-	1,909,035
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	166,801
Other receivables	-	-	-	-
<i>Total assets</i>	<u>\$ 22,260</u>	<u>\$ 205</u>	<u>\$ 1,361,840</u>	<u>\$ 2,711,082</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 13,400
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,400</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	22,260	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Public safety	-	205	-	-
Healthcare	-	-	1,361,840	2,697,682
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>22,260</u>	<u>205</u>	<u>1,361,840</u>	<u>2,697,682</u>
<i>Total liabilities and fund balances</i>	<u>\$ 22,260</u>	<u>\$ 205</u>	<u>\$ 1,361,840</u>	<u>\$ 2,711,082</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

<u>Community Health Improvement</u>	<u>Senior Citizens Centers</u>	<u>Indigent Health Care Fund</u>	<u>Fire Excise Tax</u>	<u>Local DWI Program</u>
\$ -	\$ 11,138	\$ 1,539,079	\$ 442,553	\$ 312,455
-	-	99,218	3,411,555	-
-	-	-	-	-
-	-	312,125	199,433	-
-	-	856,618	-	89,001
<u>\$ -</u>	<u>\$ 11,138</u>	<u>\$ 2,807,040</u>	<u>\$ 4,053,541</u>	<u>\$ 401,456</u>
\$ -	\$ 554	\$ 193,557	\$ 9,544	\$ 21,538
-	-	-	-	21,247
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>554</u>	<u>193,557</u>	<u>9,544</u>	<u>42,785</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	4,043,997	358,671
-	-	2,613,483	-	-
-	-	-	-	-
-	-	-	-	-
-	10,584	-	-	-
-	-	-	-	-
<u>-</u>	<u>10,584</u>	<u>2,613,483</u>	<u>4,043,997</u>	<u>358,671</u>
<u>\$ -</u>	<u>\$ 11,138</u>	<u>\$ 2,807,040</u>	<u>\$ 4,053,541</u>	<u>\$ 401,456</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2013

Special Revenue

	Clerk Recording & Filing	Magistrate Court	Sheriff's Grants	Narcotic Drug Control & K-9 Drug Unit
<i>Assets</i>				
Cash and cash equivalents	\$ 109,196	\$ 327,562	\$ 844,438	\$ 120,837
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables	-	-	138,158	-
<i>Total assets</i>	<u>\$ 109,196</u>	<u>\$ 327,562</u>	<u>\$ 982,596</u>	<u>\$ 120,837</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 150	\$ 34,009	\$ -
Accrued payroll	-	1,502	8,719	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	59,655	-
<i>Total liabilities</i>	<u>-</u>	<u>1,652</u>	<u>102,383</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	109,196	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Public safety	-	325,910	880,213	120,837
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>109,196</u>	<u>325,910</u>	<u>880,213</u>	<u>120,837</u>
<i>Total liabilities and fund balances</i>	<u>\$ 109,196</u>	<u>\$ 327,562</u>	<u>\$ 982,596</u>	<u>\$ 120,837</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Federal Office of Justice - Law Enforcement Grant	Law Enforcement Seizures	Emergency Management	Forest Reserve	JSAAC Center
\$ 153,258	\$ 9,445	\$ 632,980	\$ 44,525	\$ 277,666
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
15,793	-	29,397	-	76,732
<u>\$ 169,051</u>	<u>\$ 9,445</u>	<u>\$ 662,377</u>	<u>\$ 44,525</u>	<u>\$ 354,398</u>
\$ -	\$ -	\$ 13,464	\$ -	\$ 1,392
-	-	5,880	-	14,718
-	-	-	-	-
-	-	-	-	-
-	-	19,344	-	16,110
-	-	-	44,525	338,288
-	-	-	-	-
-	-	-	-	-
169,051	9,445	643,033	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>169,051</u>	<u>9,445</u>	<u>643,033</u>	<u>44,525</u>	<u>338,288</u>
<u>\$ 169,051</u>	<u>\$ 9,445</u>	<u>\$ 662,377</u>	<u>\$ 44,525</u>	<u>\$ 354,398</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2013

	<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>CDBG Planning</u>	<u>Rural Public Safety</u>	<u>Capital Projects</u>	<u>Federal Grants</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 45,382	\$ 675,348	\$ -	\$ -
Investments	-	1,977,259	4,715,810	478,731
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	124,856	320,139	-
Other receivables	5,000	-	-	-
<i>Total assets</i>	<u>\$ 50,382</u>	<u>\$ 2,777,463</u>	<u>\$ 5,035,949</u>	<u>\$ 478,731</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 20,682	\$ -	\$ -
Accrued payroll	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>20,682</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	50,382	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Public safety	-	2,756,781	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	-	5,035,949	478,731
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>50,382</u>	<u>2,756,781</u>	<u>5,035,949</u>	<u>478,731</u>
<i>Total liabilities and fund balances</i>	<u>\$ 50,382</u>	<u>\$ 2,777,463</u>	<u>\$ 5,035,949</u>	<u>\$ 478,731</u>

The accompanying notes are an integral part of these financial statements

Capital Projects				Debt Service
CDBG/Thoreau Wastewater	Infrastructure Gross Receipts	Courthouse Annex	State Projects	General Obligation Bonds
\$ -	\$ -	\$ -	\$ -	\$ 566
500,000	2,020,019	-	2,282,382	-
-	-	-	-	3,567
-	74,786	-	-	-
-	-	-	84,986	-
<u>\$ 500,000</u>	<u>\$ 2,094,805</u>	<u>\$ -</u>	<u>\$ 2,367,368</u>	<u>\$ 4,133</u>
\$ -	\$ 42,814	\$ -	\$ 8,333	\$ -
-	-	-	-	-
-	-	-	-	3,233
-	-	-	-	-
-	42,814	-	8,333	3,233
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
500,000	2,051,991	-	2,359,035	-
-	-	-	-	900
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>500,000</u>	<u>2,051,991</u>	<u>-</u>	<u>2,359,035</u>	<u>900</u>
<u>\$ 500,000</u>	<u>\$ 2,094,805</u>	<u>\$ -</u>	<u>\$ 2,367,368</u>	<u>\$ 4,133</u>

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STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2013

	<u>Debt Service</u>			
	General Revenue/Gross Receipts Tax Bonds/ Notes	Law Enforcement JDC Bonds	Judicial Complex	Total Nonmajor Governmental Funds
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ 117,128	\$ 11,729,734
Investments	134,647	326,719	-	22,847,419
Receivables:				
Property taxes	-	-	-	3,567
Other taxes	-	179,300	93,400	2,033,100
Other receivables	-	-	-	1,967,432
<i>Total assets</i>	<u>\$ 134,647</u>	<u>\$ 506,019</u>	<u>\$ 210,528</u>	<u>\$ 38,581,252</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 725,613
Accrued payroll	-	-	-	217,407
Deferred revenue	-	-	-	3,233
Due to other funds	-	-	-	59,655
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,005,908</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	3,290,401
Maintenance of roads	-	-	-	2,044,727
Fire departments	-	-	-	1,950,023
Public safety	-	-	-	10,979,686
Healthcare	-	-	-	6,879,325
Capital projects expenditures	-	-	-	10,425,706
Debt service expenditures	134,647	506,019	210,528	852,094
Committed for:				
Corrections facility	-	-	-	858,994
Senior center	-	-	-	10,584
Minimum fund balance	-	-	-	283,804
<i>Total fund balances</i>	<u>134,647</u>	<u>506,019</u>	<u>210,528</u>	<u>37,575,344</u>
<i>Total liabilities and fund balances</i>	<u>\$ 134,647</u>	<u>\$ 506,019</u>	<u>\$ 210,528</u>	<u>\$ 38,581,252</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2013

	Special Revenue			
	Correction Fees	Environmental Gross Receipts Taxes	Property Valuation	Road Fund
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	527,132	735,949	-	779,861
Gasoline and motor vehicle taxes	-	-	-	571,519
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	308,616
Federal capital grants	-	-	-	-
State operating grants	-	-	-	998,128
State capital grants	-	-	-	108,594
Charges for services	334,216	-	215,281	-
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	-	(10,692)	-	-
Miscellaneous	-	50,000	-	268
<i>Total revenues</i>	861,348	775,257	215,281	2,766,986
<i>Expenditures:</i>				
Current:				
General government	-	1,015,699	224,596	-
Public safety	943,003	-	-	-
Public works	-	-	-	3,368,906
Health and welfare	-	-	-	-
Capital outlay	-	-	-	36,745
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	943,003	1,015,699	224,596	3,405,651
<i>Excess (deficiency) of revenues over expenditures</i>	(81,655)	(240,442)	(9,315)	(638,665)
<i>Other financing sources (uses)</i>				
Payments to bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(15,000)	-	-
<i>Total other financing sources (uses)</i>	-	(15,000)	-	-
<i>Net change in fund balances</i>	(81,655)	(255,442)	(9,315)	(638,665)
<i>Fund balances - beginning of year</i>	940,649	2,584,923	342,968	2,967,196
<i>Fund balances - end of year</i>	\$ 858,994	\$ 2,329,481	\$ 333,653	\$ 2,328,531

The accompanying notes are an integral part of these financial statements

Special Revenue

Hazardous Material Support Services	EMS	E911 Metro Dispatch	Farm & Range	Fire Protection District
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	13,314	-
-	169,687	355,654	-	1,497,342
-	91,854	-	-	-
-	-	-	-	-
-	-	-	-	-
-	46	-	-	3,109
-	<u>261,587</u>	<u>355,654</u>	<u>13,314</u>	<u>1,500,451</u>
-	-	-	-	-
15,442	813,662	1,615,664	-	889,013
-	-	-	-	-
-	-	-	20,500	-
-	19,892	-	-	988,928
-	-	-	-	-
-	-	-	-	-
<u>15,442</u>	<u>833,554</u>	<u>1,615,664</u>	<u>20,500</u>	<u>1,877,941</u>
<u>(15,442)</u>	<u>(571,967)</u>	<u>(1,260,010)</u>	<u>(7,186)</u>	<u>(377,490)</u>
-	-	-	-	-
-	484,600	2,222,014	7,000	-
-	-	-	-	-
-	<u>484,600</u>	<u>2,222,014</u>	<u>7,000</u>	<u>-</u>
(15,442)	(87,367)	962,004	(186)	(377,490)
<u>68,390</u>	<u>293,687</u>	<u>709,539</u>	<u>9,854</u>	<u>2,327,513</u>
<u>\$ 52,948</u>	<u>\$ 206,320</u>	<u>\$ 1,671,543</u>	<u>\$ 9,668</u>	<u>\$ 1,950,023</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2013

	<u>Special Revenue</u>			
	<u>Highway Beautification Grant</u>	<u>Law Enforcement Protection</u>	<u>Liquor Excise Tax</u>	<u>Emergency Communication & Medical</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	3,181,487
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	1,173,198	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	4,464	48,000	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	-	(90,965)
Miscellaneous	-	-	-	21
<i>Total revenues</i>	<u>4,464</u>	<u>48,000</u>	<u>1,173,198</u>	<u>3,090,543</u>
<i>Expenditures:</i>				
Current:				
General government	9,152	-	-	-
Public safety	-	47,492	-	-
Public works	-	-	-	-
Health and welfare	-	-	780,000	177,592
Capital outlay	-	-	-	232,438
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>9,152</u>	<u>47,492</u>	<u>780,000</u>	<u>410,030</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,688)</u>	<u>508</u>	<u>393,198</u>	<u>2,680,513</u>
<i>Other financing sources (uses)</i>				
Payments to bond escrow agent	-	-	-	-
Transfers in	10,000	-	-	-
Transfers (out)	-	(1,200)	-	(2,706,614)
<i>Total other financing sources (uses)</i>	<u>10,000</u>	<u>(1,200)</u>	<u>-</u>	<u>(2,706,614)</u>
<i>Net change in fund balances</i>	5,312	(692)	393,198	(26,101)
<i>Fund balances - beginning of year</i>	<u>16,948</u>	<u>897</u>	<u>968,642</u>	<u>2,723,783</u>
<i>Fund balances - end of year</i>	<u>\$ 22,260</u>	<u>\$ 205</u>	<u>\$ 1,361,840</u>	<u>\$ 2,697,682</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Community Health Improvement	Senior Citizens Centers	Indigent Health Care Fund	Fire Excise Tax	Local DWI Program
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	2,573,317	1,551,030	-
-	-	-	-	-
-	-	-	-	-
-	-	-	329,687	-
-	-	-	-	-
-	-	-	-	830,436
-	-	1,606,618	-	111,244
-	-	840	-	-
-	-	-	(88,506)	-
-	84	10,077	-	-
<u>-</u>	<u>84</u>	<u>4,190,852</u>	<u>1,792,211</u>	<u>941,680</u>
-	-	-	154,146	-
-	-	-	-	-
-	-	-	-	-
-	30,797	3,602,325	-	935,518
-	-	-	1,712,940	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>30,797</u>	<u>3,602,325</u>	<u>1,867,086</u>	<u>935,518</u>
-	(30,713)	588,527	(74,875)	6,162
-	-	-	-	-
-	30,000	800,000	-	-
-	-	(26,400)	-	-
<u>-</u>	<u>30,000</u>	<u>773,600</u>	<u>-</u>	<u>-</u>
-	(713)	1,362,127	(74,875)	6,162
-	11,297	1,251,356	4,118,872	352,509
<u>\$ -</u>	<u>\$ 10,584</u>	<u>\$ 2,613,483</u>	<u>\$ 4,043,997</u>	<u>\$ 358,671</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2013

	Special Revenue			
	Clerk Recording & Filing	Magistrate Court	Sheriff's Grants	Narcotic Drug Control & K-9 Drug Unit
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	11,661	-
Federal capital grants	-	-	-	-
State operating grants	-	125,000	717,953	-
State capital grants	-	-	-	-
Charges for services	14,158	-	-	-
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	-	-
Miscellaneous	-	-	-	5,170
<i>Total revenues</i>	14,158	125,000	729,614	5,170
<i>Expenditures:</i>				
Current:				
General government	15,404	-	-	-
Public safety	-	83,711	564,448	30,548
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	15,404	83,711	564,448	30,548
<i>Excess (deficiency) of revenues over expenditures</i>	(1,246)	41,289	165,166	(25,378)
<i>Other financing sources (uses)</i>				
Payments to bond escrow agent	-	-	-	-
Transfers in	-	-	80,000	55,000
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	80,000	55,000
<i>Net change in fund balances</i>	(1,246)	41,289	245,166	29,622
<i>Fund balances - beginning of year</i>	110,442	284,621	635,047	91,215
<i>Fund balances - end of year</i>	\$ 109,196	\$ 325,910	\$ 880,213	\$ 120,837

The accompanying notes are an integral part of these financial statements

Special Revenue

Federal Office of Justice - Law Enforcement Grant	Law Enforcement Seizures	Emergency Management	Forest Reserve	JSAAC Center
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
33,821	-	638,794	16,451	329,587
15,793	-	-	-	-
-	-	275,028	-	151,568
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	391	-	22,505
<u>49,614</u>	<u>-</u>	<u>914,213</u>	<u>16,451</u>	<u>503,660</u>
-	-	-	19,741	-
17,969	-	628,636	-	585,068
-	-	-	-	-
-	-	-	-	-
-	-	29,045	-	-
-	-	-	-	-
-	-	-	-	-
<u>17,969</u>	<u>-</u>	<u>657,681</u>	<u>19,741</u>	<u>585,068</u>
<u>31,645</u>	<u>-</u>	<u>256,532</u>	<u>(3,290)</u>	<u>(81,408)</u>
-	-	-	-	-
-	-	121,235	47,815	300,000
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>121,235</u>	<u>47,815</u>	<u>300,000</u>
31,645	-	377,767	44,525	218,592
137,406	9,445	265,266	-	119,696
<u>\$ 169,051</u>	<u>\$ 9,445</u>	<u>\$ 643,033</u>	<u>\$ 44,525</u>	<u>\$ 338,288</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2013

	Special Revenue		Capital Projects	
	CDBG Planning	Rural Public Safety	Capital Projects	Federal Grants
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	878,629	2,193,153	-
Gasoline and motor vehicle taxes	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	100,000	-	-	304,460
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	41	-	-	-
Net increase (decrease) in the fair value of investments	-	(22,741)	-	-
Miscellaneous	-	21,856	-	-
<i>Total revenues</i>	100,041	877,744	2,193,153	304,460
<i>Expenditures:</i>				
Current:				
General government	115,001	-	37,096	250,763
Public safety	-	48,901	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	437,514	31,460	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	115,001	486,415	68,556	250,763
<i>Excess (deficiency) of revenues over expenditures</i>	(14,960)	391,329	2,124,597	53,697
<i>Other financing sources (uses)</i>				
Payments to bond escrow agent	-	-	-	-
Transfers in	15,000	-	-	200,000
Transfers (out)	-	(256,235)	(3,600,000)	-
<i>Total other financing sources (uses)</i>	15,000	(256,235)	(3,600,000)	200,000
<i>Net change in fund balances</i>	40	135,094	(1,475,403)	253,697
<i>Fund balances - beginning of year</i>	50,342	2,621,687	6,511,352	225,034
<i>Fund balances - end of year</i>	\$ 50,382	\$ 2,756,781	\$ 5,035,949	\$ 478,731

The accompanying notes are an integral part of these financial statements

Capital Projects				Debt Service
CDBG/Thoreau Wastewater	Infrastructure Gross Receipts	Courthouse Annex	State Projects	General Obligation Bonds
\$ -	\$ -	\$ -	\$ -	\$ 1,002
-	581,626	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
450,000	-	-	-	-
50,000	-	-	818,746	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(23,010)	-	-	-
-	-	-	-	-
<u>500,000</u>	<u>558,616</u>	<u>-</u>	<u>818,746</u>	<u>1,002</u>
-	-	-	688,453	7
-	-	-	-	-
478,388	168,555	-	-	-
-	-	-	-	-
-	81,300	-	195,634	-
-	-	-	-	-
-	-	-	-	-
<u>478,388</u>	<u>249,855</u>	<u>-</u>	<u>884,087</u>	<u>7</u>
<u>21,612</u>	<u>308,761</u>	<u>-</u>	<u>(65,341)</u>	<u>995</u>
-	-	-	-	-
-	-	-	-	-
-	(100,000)	(87,044)	-	(4,500)
-	(100,000)	(87,044)	-	(4,500)
21,612	208,761	(87,044)	(65,341)	(3,505)
<u>478,388</u>	<u>1,843,230</u>	<u>87,044</u>	<u>2,424,376</u>	<u>4,405</u>
<u>\$ 500,000</u>	<u>\$ 2,051,991</u>	<u>\$ -</u>	<u>\$ 2,359,035</u>	<u>\$ 900</u>

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STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2013

Statement A-2
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	<u>Debt Service</u>			Total Nonmajor Governmental Funds
	General Revenue/Gross Receipts Tax Bonds/ Notes	Law Enforcement JDC Bonds	Judicial Complex	
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 1,002
Gross receipts	-	821,151	271,600	14,094,935
Gasoline and motor vehicle taxes	-	-	-	571,519
Other	-	-	-	1,173,198
Intergovernmental:				
Federal operating grants	-	-	-	2,086,391
Federal capital grants	-	-	-	465,793
State operating grants	-	-	-	6,042,006
State capital grants	-	-	-	108,594
Charges for services	-	-	-	2,373,371
Investment income	-	-	-	881
Net increase (decrease) in the fair value of investments	-	-	-	(235,914)
Miscellaneous	-	-	290,000	403,527
<i>Total revenues</i>	<u>-</u>	<u>821,151</u>	<u>561,600</u>	<u>27,085,303</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	2,530,058
Public safety	-	-	-	6,283,557
Public works	-	-	-	4,015,849
Health and welfare	-	-	-	5,546,732
Capital outlay	-	-	-	3,765,896
Debt service:				
Principal	475,000	280,000	240,000	995,000
Interest	19,000	419,744	243,950	682,694
<i>Total expenditures</i>	<u>494,000</u>	<u>699,744</u>	<u>483,950</u>	<u>23,819,786</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(494,000)</u>	<u>121,407</u>	<u>77,650</u>	<u>3,265,517</u>
<i>Other financing sources (uses)</i>				
Payments to bond escrow agent	-	-	-	-
Transfers in	494,000	-	-	4,866,664
Transfers (out)	-	-	-	(6,796,993)
<i>Total other financing sources (uses)</i>	<u>494,000</u>	<u>-</u>	<u>-</u>	<u>(1,930,329)</u>
<i>Net change in fund balances</i>	-	121,407	77,650	1,335,188
<i>Fund balances - beginning of year</i>	<u>134,647</u>	<u>384,612</u>	<u>132,878</u>	<u>36,240,156</u>
<i>Fund balances - end of year</i>	<u>\$ 134,647</u>	<u>\$ 506,019</u>	<u>\$ 210,528</u>	<u>\$ 37,575,344</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-1

McKinley County

Correction Fees Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	450,000	450,000	491,999	41,999
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	521,500	521,500	381,306	(140,194)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>971,500</u>	<u>971,500</u>	<u>873,305</u>	<u>(98,195)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,489,040	1,505,048	943,324	561,724
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,489,040</u>	<u>1,505,048</u>	<u>943,324</u>	<u>561,724</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(517,540)</u>	<u>(533,548)</u>	<u>(70,019)</u>	<u>463,529</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	517,540	533,548	-	(533,548)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>517,540</u>	<u>533,548</u>	<u>-</u>	<u>(533,548)</u>
<i>Net change in fund balance</i>	-	-	(70,019)	(70,019)
<i>Fund balance - beginning of year</i>	-	-	808,458	808,458
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 738,439</u>	<u>\$ 738,439</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (70,019)
Adjustments to revenues for gross receipts taxes and charges for service				(11,957)
Adjustments to expenditures for personnel services and repairs and maintenance				321
Net change in fund balance (GAAP)				<u>\$ (81,655)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-2

McKinley County

Environmental Gross Receipts Taxes Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	520,000	750,000	740,590	(9,410)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	51,000	51,000	50,000	(1,000)
<i>Total revenues</i>	<u>571,000</u>	<u>801,000</u>	<u>779,898</u>	<u>(21,102)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	958,500	1,343,664	944,720	398,944
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>958,500</u>	<u>1,343,664</u>	<u>944,720</u>	<u>398,944</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(387,500)</u>	<u>(542,664)</u>	<u>(164,822)</u>	<u>377,842</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	402,500	557,664	-	(557,664)
Transfers in	-	-	-	-
Transfers (out)	(15,000)	(15,000)	(15,000)	-
<i>Total other financing sources (uses)</i>	<u>387,500</u>	<u>542,664</u>	<u>(15,000)</u>	<u>(557,664)</u>
<i>Net change in fund balance</i>	-	-	(179,822)	(179,822)
<i>Fund balance - beginning of year</i>	-	-	2,574,773	2,574,773
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,394,951</u>	<u>\$ 2,394,951</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (179,822)
Adjustments to revenues for gross receipts taxes				(4,641)
Adjustments to expenditures for other county agencies				(70,979)
Net change in fund balance (GAAP)				<u>\$ (255,442)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

McKinley County

Property Valuation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	190,000	190,000	215,281	25,281
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>190,000</u>	<u>190,000</u>	<u>215,281</u>	<u>25,281</u>
<i>Expenditures:</i>				
Current:				
General government	252,809	258,359	226,551	31,808
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	3,000	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>255,809</u>	<u>258,359</u>	<u>226,551</u>	<u>31,808</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(65,809)</u>	<u>(68,359)</u>	<u>(11,270)</u>	<u>57,089</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	65,809	68,359	-	(68,359)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>65,809</u>	<u>68,359</u>	<u>-</u>	<u>(68,359)</u>
<i>Net change in fund balance</i>	-	-	(11,270)	(11,270)
<i>Fund balance - beginning of year</i>	-	-	350,316	350,316
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,046</u>	<u>\$ 339,046</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (11,270)
No adjustments to revenues				-
Adjustments to expenditures for non capital equipment				1,955
Net change in fund balance (GAAP)				<u>\$ (9,315)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

McKinley County

Road Fund Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	660,000	660,000	729,622	69,622
Gasoline and motor vehicle	595,000	620,000	582,565	(37,435)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	494,500	279,500	161,742	(117,758)
State operating grants	2,921,000	3,111,000	715,190	(2,395,810)
State capital grants	150,000	150,000	108,594	(41,406)
Charges for services	-	-	-	-
Miscellaneous	500	500	17	(483)
<i>Total revenues</i>	<u>4,821,000</u>	<u>4,821,000</u>	<u>2,297,730</u>	<u>(2,523,270)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	5,178,783	5,526,523	3,344,946	2,181,577
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	330,000	299,000	-	299,000
<i>Total expenditures</i>	<u>5,508,783</u>	<u>5,825,523</u>	<u>3,344,946</u>	<u>2,480,577</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(687,783)</u>	<u>(1,004,523)</u>	<u>(1,047,216)</u>	<u>(42,693)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	687,783	1,004,523	-	(1,004,523)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>687,783</u>	<u>1,004,523</u>	<u>-</u>	<u>(1,004,523)</u>
<i>Net change in fund balance</i>	-	-	(1,047,216)	(1,047,216)
<i>Fund balance - beginning of year</i>	-	-	2,839,455	2,839,455
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,792,239</u>	<u>\$ 1,792,239</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,047,216)
Adjustments to revenue for state operating grants				469,256
Adjustments to expenditures for non capital equipment				(60,705)
Net change in fund balance (GAAP)				<u>\$ (638,665)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

McKinley County

Hazardous Material Support Services Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	32,000	32,000	16,135	15,865
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>32,000</u>	<u>32,000</u>	<u>16,135</u>	<u>15,865</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(32,000)</u>	<u>(32,000)</u>	<u>(16,135)</u>	<u>15,865</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	32,000	32,000	-	(32,000)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>32,000</u>	<u>32,000</u>	<u>-</u>	<u>(32,000)</u>
<i>Net change in fund balance</i>	-	-	(16,135)	(16,135)
<i>Fund balance - beginning of year</i>	-	-	69,466	69,466
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,331</u>	<u>\$ 53,331</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (16,135)
No adjustments to revenues				-
Adjustments to expenditures for non capital equipment				693
Net change in fund balance (GAAP)				<u>\$ (15,442)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

McKinley County

EMS Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	154,055	188,396	169,687	(18,709)
State capital grants	-	-	-	-
Charges for services	91,500	92,500	111,263	18,763
Miscellaneous	1,500	500	46	(454)
<i>Total revenues</i>	<u>247,055</u>	<u>281,396</u>	<u>280,996</u>	<u>(400)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	785,232	944,164	780,375	163,789
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	74,000	19,892	19,892	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>859,232</u>	<u>964,056</u>	<u>800,267</u>	<u>163,789</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(612,177)</u>	<u>(682,660)</u>	<u>(519,271)</u>	<u>163,389</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	127,577	198,060	-	(198,060)
Transfers in	484,600	484,600	484,600	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>612,177</u>	<u>682,660</u>	<u>484,600</u>	<u>(198,060)</u>
<i>Net change in fund balance</i>	-	-	(34,671)	(34,671)
<i>Fund balance - beginning of year</i>	-	-	302,549	302,549
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,878</u>	<u>\$ 267,878</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (34,671)
Adjustments to revenue for charges for service				(19,409)
Adjustments to expenditures for supplies				(33,287)
Net change in fund balance (GAAP)				<u>\$ (87,367)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

McKinley County

E911 Metro Dispatch Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	15,500	15,500	16,729	1,229
State capital grants	-	-	-	-
Charges for services	1,300	1,300	-	(1,300)
Miscellaneous	200	200	-	(200)
<i>Total revenues</i>	<u>17,000</u>	<u>17,000</u>	<u>16,729</u>	<u>(271)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,824,611	1,852,249	1,598,008	254,241
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,824,611</u>	<u>1,852,249</u>	<u>1,598,008</u>	<u>254,241</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,807,611)</u>	<u>(1,835,249)</u>	<u>(1,581,279)</u>	<u>253,970</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(232,389)	(421,091)	-	421,091
Transfers in	2,040,000	2,256,340	2,222,014	(34,326)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,807,611</u>	<u>1,835,249</u>	<u>2,222,014</u>	<u>386,765</u>
<i>Net change in fund balance</i>	-	-	640,735	640,735
<i>Fund balance - beginning of year</i>	-	-	748,101	748,101
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,388,836</u>	<u>\$ 1,388,836</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 640,735
Adjustments to revenues for state operating grants				338,925
Adjustments to expenditures for repairs and maintenance and professional services				(17,656)
Net change in fund balance (GAAP)				<u>\$ 962,004</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

McKinley County

Farm & Range Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	13,400	13,400	13,314	(86)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13,400</u>	<u>13,400</u>	<u>13,314</u>	<u>(86)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	20,500	20,500	20,500	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,500</u>	<u>20,500</u>	<u>20,500</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,100)</u>	<u>(7,100)</u>	<u>(7,186)</u>	<u>(86)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	100	100	-	(100)
Transfers in	7,000	7,000	7,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,100</u>	<u>7,100</u>	<u>7,000</u>	<u>(100)</u>
<i>Net change in fund balance</i>	-	-	(186)	(186)
<i>Fund balance - beginning of year</i>	-	-	9,854	9,854
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,668</u>	<u>\$ 9,668</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (186)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (186)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

McKinley County

Fire Protection District Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	1,297,336	1,497,336	1,497,342	6
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	425	425	3,109	2,684
<i>Total revenues</i>	<u>1,297,761</u>	<u>1,497,761</u>	<u>1,500,451</u>	<u>2,690</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,285,820	1,422,798	889,121	533,677
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,386,256	1,962,952	936,480	1,026,472
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,672,076</u>	<u>3,385,750</u>	<u>1,825,601</u>	<u>1,560,149</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,374,315)</u>	<u>(1,887,989)</u>	<u>(325,150)</u>	<u>1,562,839</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,374,315	1,887,989	-	(1,887,989)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,374,315</u>	<u>1,887,989</u>	<u>-</u>	<u>(1,887,989)</u>
<i>Net change in fund balance</i>	-	-	(325,150)	(325,150)
<i>Fund balance - beginning of year</i>	-	-	2,379,433	2,379,433
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,054,283</u>	<u>\$ 2,054,283</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (325,150)
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance and capital outlay				(52,340)
Net change in fund balance (GAAP)				<u>\$ (377,490)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

McKinley County

Highway Beautification Grant Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	5,000	5,000	4,464	(536)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>4,464</u>	<u>(536)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	11,621	11,621	9,513	2,108
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,621</u>	<u>11,621</u>	<u>9,513</u>	<u>2,108</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,621)</u>	<u>(6,621)</u>	<u>(5,049)</u>	<u>1,572</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(3,379)	(3,379)	-	3,379
Transfers in	10,000	10,000	10,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,621</u>	<u>6,621</u>	<u>10,000</u>	<u>3,379</u>
<i>Net change in fund balance</i>	-	-	4,951	4,951
<i>Fund balance - beginning of year</i>	-	-	17,309	17,309
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,260</u>	<u>\$ 22,260</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 4,951
No adjustments to revenues				-
Adjustments to expenditures for temporary positions				361
Net change in fund balance (GAAP)				<u>\$ 5,312</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

McKinley County

Law Enforcement Protection Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	48,000	48,000	48,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	49,000	49,000	48,755	245
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>49,000</u>	<u>49,000</u>	<u>48,755</u>	<u>245</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,000)</u>	<u>(1,000)</u>	<u>(755)</u>	<u>245</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,000	2,200	-	(2,200)
Transfers in	-	-	-	-
Transfers (out)	-	(1,200)	(1,200)	-
<i>Total other financing sources (uses)</i>	<u>1,000</u>	<u>1,000</u>	<u>(1,200)</u>	<u>(2,200)</u>
<i>Net change in fund balance</i>	-	-	(1,955)	(1,955)
<i>Fund balance - beginning of year</i>	-	-	2,160	2,160
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205</u>	<u>\$ 205</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,955)
No adjustments to revenues				-
Adjustments to expenditures for supplies				1,263
Net change in fund balance (GAAP)				<u>\$ (692)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

McKinley County

Liquor Excise Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	1,100,000	1,100,000	1,173,198	73,198
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,173,198</u>	<u>73,198</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,100,000	1,100,000	780,000	320,000
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,100,000</u>	<u>1,100,000</u>	<u>780,000</u>	<u>320,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>393,198</u>	<u>393,198</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	393,198	393,198
<i>Fund balance - beginning of year</i>	-	-	968,642	968,642
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,361,840</u>	<u>\$ 1,361,840</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 393,198
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 393,198</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

McKinley County

Emergency Communication & Medical Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	3,000,000	3,324,840	3,280,062	(44,778)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	100	100	21	(79)
<i>Total revenues</i>	<u>3,000,100</u>	<u>3,324,940</u>	<u>3,189,118</u>	<u>(135,822)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	278,250	283,350	164,192	119,158
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	264,000	267,324	232,438	34,886
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>542,250</u>	<u>550,674</u>	<u>396,630</u>	<u>154,044</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,457,850</u>	<u>2,774,266</u>	<u>2,792,488</u>	<u>18,222</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	66,750	(33,326)	-	33,326
Transfers in	-	-	-	-
Transfers (out)	(2,524,600)	(2,740,940)	(2,706,614)	34,326
<i>Total other financing sources (uses)</i>	<u>(2,457,850)</u>	<u>(2,774,266)</u>	<u>(2,706,614)</u>	<u>67,652</u>
<i>Net change in fund balance</i>	-	-	85,874	85,874
<i>Fund balance - beginning of year</i>	-	-	2,458,407	2,458,407
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,544,281</u>	<u>\$ 2,544,281</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 85,874
Adjustments to revenues for gross receipts taxes				(98,575)
Adjustments to expenditures for professional services				(13,400)
Net change in fund balance (GAAP)				<u>\$ (26,101)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

McKinley County

Community Health Improvement Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	2	2	-	(2)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
<i>Expenditures:</i>				
Current:				
General government	2	2	-	2
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

McKinley County

Senior Citizens Center Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	200	200	84	(116)
<i>Total revenues</i>	<u>200</u>	<u>200</u>	<u>84</u>	<u>(116)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	30,810	37,810	32,710	5,100
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,810</u>	<u>37,810</u>	<u>32,710</u>	<u>5,100</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(30,610)</u>	<u>(37,610)</u>	<u>(32,626)</u>	<u>4,984</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	610	7,610	-	(7,610)
Transfers in	30,000	30,000	30,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>30,610</u>	<u>37,610</u>	<u>30,000</u>	<u>(7,610)</u>
<i>Net change in fund balance</i>	-	-	(2,626)	(2,626)
<i>Fund balance - beginning of year</i>	-	-	13,764	13,764
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,138</u>	<u>\$ 11,138</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (2,626)
No adjustments to revenues				-
Adjustments to expenditures for utilities				1,913
Net change in fund balance (GAAP)				<u>\$ (713)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

McKinley County

Indigent Health Care Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	2,317,500	2,317,500	2,460,386	142,886
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	1,500,000	1,500,000	750,000	(750,000)
Investment income	1,000	1,000	840	(160)
Miscellaneous	-	-	10,375	10,375
<i>Total revenues</i>	<u>3,818,500</u>	<u>3,818,500</u>	<u>3,221,601</u>	<u>(596,899)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	3,896,525	4,696,525	3,475,178	1,221,347
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,896,525</u>	<u>4,696,525</u>	<u>3,475,178</u>	<u>1,221,347</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(78,025)</u>	<u>(878,025)</u>	<u>(253,577)</u>	<u>624,448</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	104,425	104,425	-	(104,425)
Transfers in	-	800,000	800,000	-
Transfers (out)	(26,400)	(26,400)	(26,400)	-
<i>Total other financing sources (uses)</i>	<u>78,025</u>	<u>878,025</u>	<u>773,600</u>	<u>(104,425)</u>
<i>Net change in fund balance</i>	-	-	520,023	520,023
<i>Fund balance - beginning of year</i>	-	-	1,118,274	1,118,274
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,638,297</u>	<u>\$ 1,638,297</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 520,023
Adjustments to revenues for gross receipts tax accruals				969,251
Adjustments to expenditures for utilities				(127,147)
Net change in fund balance (GAAP)				<u>\$ 1,362,127</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

McKinley County

Fire Excise Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,166,300	1,166,300	1,462,618	296,318
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	324,900	324,900	329,687	4,787
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,491,200</u>	<u>1,491,200</u>	<u>1,703,799</u>	<u>212,599</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	436,700	439,305	145,938	293,367
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,685,000	3,715,953	1,798,938	1,917,015
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,121,700</u>	<u>4,155,258</u>	<u>1,944,876</u>	<u>2,210,382</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,630,500)</u>	<u>(2,664,058)</u>	<u>(241,077)</u>	<u>2,422,981</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,630,500	2,664,058	-	(2,664,058)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,630,500</u>	<u>2,664,058</u>	<u>-</u>	<u>(2,664,058)</u>
<i>Net change in fund balance</i>	-	-	(241,077)	(241,077)
<i>Fund balance - beginning of year</i>	-	-	4,095,185	4,095,185
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,854,108</u>	<u>\$ 3,854,108</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (241,077)
Adjustments to revenues for gross receipts taxes				88,412
Adjustments to expenditures for repairs and maintenance and capital outlay				77,790
Net change in fund balance (GAAP)				<u>\$ (74,875)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

McKinley County

Local DWI Program Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	806,560	916,133	777,705	(138,428)
State capital grants	-	-	-	-
Charges for services	115,000	113,000	111,244	(1,756)
Miscellaneous	100	100	-	(100)
<i>Total revenues</i>	<u>921,660</u>	<u>1,029,233</u>	<u>888,949</u>	<u>(140,284)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	936,204	1,050,097	916,566	133,531
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>936,204</u>	<u>1,050,097</u>	<u>916,566</u>	<u>133,531</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(14,544)</u>	<u>(20,864)</u>	<u>(27,617)</u>	<u>(6,753)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	14,544	20,864	-	(20,864)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>14,544</u>	<u>20,864</u>	<u>-</u>	<u>(20,864)</u>
<i>Net change in fund balance</i>	-	-	(27,617)	(27,617)
<i>Fund balance - beginning of year</i>	-	-	340,072	340,072
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312,455</u>	<u>\$ 312,455</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (27,617)
Adjustments to revenues for state operating grants				52,731
Adjustments to expenditures for repairs and maintenance				(18,952)
Net change in fund balance (GAAP)				<u>\$ 6,162</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

McKinley County

Clerk Recording & Filing Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	12,500	12,500	14,158	1,658
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>12,500</u>	<u>12,500</u>	<u>14,158</u>	<u>1,658</u>
<i>Expenditures:</i>				
Current:				
General government	24,200	59,200	15,404	43,796
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>24,200</u>	<u>59,200</u>	<u>15,404</u>	<u>43,796</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,700)</u>	<u>(46,700)</u>	<u>(1,246)</u>	<u>45,454</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	11,700	46,700	-	(46,700)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>11,700</u>	<u>46,700</u>	<u>-</u>	<u>(46,700)</u>
<i>Net change in fund balance</i>	-	-	(1,246)	(1,246)
<i>Fund balance - beginning of year</i>	-	-	110,442	110,442
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,196</u>	<u>\$ 109,196</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,246)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (1,246)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

McKinley County

Magistrate Court Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	125,000	125,000	125,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	108,494	109,980	85,393	24,587
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>108,494</u>	<u>109,980</u>	<u>85,393</u>	<u>24,587</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>16,506</u>	<u>15,020</u>	<u>39,607</u>	<u>24,587</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(16,506)	(15,020)	-	15,020
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(16,506)</u>	<u>(15,020)</u>	<u>-</u>	<u>15,020</u>
<i>Net change in fund balance</i>	-	-	39,607	39,607
<i>Fund balance - beginning of year</i>	-	-	287,955	287,955
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,562</u>	<u>\$ 327,562</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 39,607
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance				1,682
Net change in fund balance (GAAP)				<u>\$ 41,289</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

McKinley County

Sheriff's Grants Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	10,545	10,545
State operating grants	773,629	773,629	982,619	208,990
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>773,629</u>	<u>773,629</u>	<u>993,164</u>	<u>219,535</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	723,530	723,530	569,540	153,990
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>723,530</u>	<u>723,530</u>	<u>569,540</u>	<u>153,990</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>50,099</u>	<u>50,099</u>	<u>423,624</u>	<u>373,525</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(130,099)	(130,099)	-	130,099
Transfers in	80,000	80,000	80,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(50,099)</u>	<u>(50,099)</u>	<u>80,000</u>	<u>130,099</u>
<i>Net change in fund balance</i>	-	-	503,624	503,624
<i>Fund balance - beginning of year</i>	-	-	281,159	281,159
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 784,783</u>	<u>\$ 784,783</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 503,624
Adjustments to revenues for state and federal operating grants				(263,550)
Adjustments to expenditures for contract services				5,092
Net change in fund balance (GAAP)				<u>\$ 245,166</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

McKinley County

Narcotic Drug Control & K-9 Drug Unit Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	2,500	2,500	5,170	2,670
<i>Total revenues</i>	<u>2,500</u>	<u>2,500</u>	<u>5,170</u>	<u>2,670</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	55,162	55,162	30,548	24,614
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>55,162</u>	<u>55,162</u>	<u>30,548</u>	<u>24,614</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(52,662)</u>	<u>(52,662)</u>	<u>(25,378)</u>	<u>27,284</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(2,338)	(2,338)	-	2,338
Transfers in	55,000	55,000	55,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>52,662</u>	<u>52,662</u>	<u>55,000</u>	<u>2,338</u>
<i>Net change in fund balance</i>	-	-	29,622	29,622
<i>Fund balance - beginning of year</i>	-	-	91,215	91,215
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,837</u>	<u>\$ 120,837</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 29,622
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 29,622</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

McKinley County

Federal Office of Justice - Law Enforcement Grant Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	55,000	55,000	33,821	(21,179)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>55,000</u>	<u>86,735</u>	<u>33,821</u>	<u>(52,914)</u>
<i>Expenditures:</i>				
Current:				
General government	55,000	86,735	17,969	68,766
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>55,000</u>	<u>86,735</u>	<u>17,969</u>	<u>68,766</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>15,852</u>	<u>15,852</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>15,852</u>	<u>15,852</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>137,406</u>	<u>137,406</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,258</u>	<u>\$ 153,258</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 15,852
Adjustments to revenues for federal operating grants				15,793
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 31,645</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

McKinley County

Law Enforcement Seizures Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	9,445	9,445
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,445</u>	<u>\$ 9,445</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

McKinley County

Emergency Management Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	1,745,000	1,766,908	639,353	(1,127,555)
State operating grants	178,291	295,538	263,024	(32,514)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	50	50	6,310	6,260
<i>Total revenues</i>	<u>1,923,341</u>	<u>2,062,496</u>	<u>908,687</u>	<u>(1,153,809)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	2,417,929	2,628,546	621,492	2,007,054
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	35,000	30,600	29,045	1,555
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,452,929</u>	<u>2,659,146</u>	<u>650,537</u>	<u>2,008,609</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(529,588)</u>	<u>(596,650)</u>	<u>258,150</u>	<u>854,800</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	429,588	171,177	-	(171,177)
Transfers in	100,000	425,473	121,235	(304,238)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>529,588</u>	<u>596,650</u>	<u>121,235</u>	<u>(475,415)</u>
<i>Net change in fund balance</i>	-	-	379,385	379,385
<i>Fund balance - beginning of year</i>	-	-	253,595	253,595
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 632,980</u>	<u>\$ 632,980</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 379,385
Adjustments to revenues for miscellaneous revenue				5,526
Adjustments to expenditures for equipment				(7,144)
Net change in fund balance (GAAP)				<u>\$ 377,767</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-26

McKinley County

Forest Reserve Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	222,815	16,451	(206,364)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>222,815</u>	<u>16,451</u>	<u>(206,364)</u>
<i>Expenditures:</i>				
Current:				
General government	-	222,815	19,741	203,074
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>222,815</u>	<u>19,741</u>	<u>203,074</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,290)</u>	<u>(3,290)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(47,815)	-	47,815
Transfers in	-	47,815	47,815	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>47,815</u>	<u>47,815</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>44,525</u>	<u>44,525</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,525</u>	<u>\$ 44,525</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 44,525
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 44,525</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-27

McKinley County

JSAAC Center Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	270,000	270,000	275,721	5,721
State operating grants	150,000	198,300	151,568	(46,732)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	22,505	22,505
<i>Total revenues</i>	<u>420,000</u>	<u>468,300</u>	<u>449,794</u>	<u>(18,506)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	933,891	988,293	585,001	403,292
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>933,891</u>	<u>988,293</u>	<u>585,001</u>	<u>403,292</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(513,891)</u>	<u>(519,993)</u>	<u>(135,207)</u>	<u>384,786</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	213,891	219,993	-	(219,993)
Transfers in	300,000	300,000	300,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>513,891</u>	<u>519,993</u>	<u>300,000</u>	<u>(219,993)</u>
<i>Net change in fund balance</i>	-	-	164,793	164,793
<i>Fund balance - beginning of year</i>	-	-	112,873	112,873
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 277,666</u>	<u>\$ 277,666</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 164,793
Adjustments to revenues for state and federal operating grants				53,866
Adjustments to expenditures for salaries and professional services				(67)
Net change in fund balance (GAAP)				<u>\$ 218,592</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-28

McKinley County

CDBG Planning Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	100,000	100,000	95,000	(5,000)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>100,050</u>	<u>100,050</u>	<u>95,041</u>	<u>(5,009)</u>
<i>Expenditures:</i>				
Current:				
General government	115,001	115,001	115,001	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>115,001</u>	<u>115,001</u>	<u>115,001</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(14,951)</u>	<u>(14,951)</u>	<u>(19,960)</u>	<u>(5,009)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(49)	(49)	-	49
Transfers in	15,000	15,000	15,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>14,951</u>	<u>14,951</u>	<u>15,000</u>	<u>49</u>
<i>Net change in fund balance</i>	-	-	(4,960)	(4,960)
<i>Fund balance - beginning of year</i>	-	-	50,342	50,342
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,382</u>	<u>\$ 45,382</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (4,960)
Adjustments to revenues for federal grants				5,000
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 40</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-29

McKinley County

Rural Public Safety Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	770,000	770,000	820,199	50,199
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	4,000	4,000	21,856	17,856
<i>Total revenues</i>	<u>774,000</u>	<u>774,000</u>	<u>819,314</u>	<u>45,314</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	76,000	173,292	28,219	145,073
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	410,000	723,699	437,514	286,185
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>486,000</u>	<u>896,991</u>	<u>465,733</u>	<u>431,258</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>288,000</u>	<u>(122,991)</u>	<u>353,581</u>	<u>476,572</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(53,000)	583,464	-	(583,464)
Transfers in	-	-	-	-
Transfers (out)	(235,000)	(460,473)	(256,235)	204,238
<i>Total other financing sources (uses)</i>	<u>(288,000)</u>	<u>122,991</u>	<u>(256,235)</u>	<u>(379,226)</u>
<i>Net change in fund balance</i>	-	-	97,346	97,346
<i>Fund balance - beginning of year</i>	-	-	2,555,261	2,555,261
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,652,607</u>	<u>\$ 2,652,607</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 97,346
Adjustments to revenues for gross receipts taxes				58,430
Adjustments to expenditures for capital outlay				(20,682)
Net change in fund balance (GAAP)				<u>\$ 135,094</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-30

McKinley County

Capital Projects Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,000,000	1,000,000	1,980,024	980,024
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,980,024</u>	<u>980,024</u>
<i>Expenditures:</i>				
Current:				
General government	180,000	181,200	38,233	142,967
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	200,000	200,000	31,460	168,540
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>380,000</u>	<u>381,200</u>	<u>69,693</u>	<u>311,507</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>620,000</u>	<u>618,800</u>	<u>1,910,331</u>	<u>1,291,531</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,780,000	2,981,200	-	(2,981,200)
Transfers in	-	-	-	-
Transfers (out)	(3,400,000)	(3,600,000)	(3,600,000)	-
<i>Total other financing sources (uses)</i>	<u>(620,000)</u>	<u>(618,800)</u>	<u>(3,600,000)</u>	<u>(2,981,200)</u>
<i>Net change in fund balance</i>	-	-	(1,689,669)	(1,689,669)
<i>Fund balance - beginning of year</i>	-	-	6,405,479	6,405,479
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,715,810</u>	<u>\$ 4,715,810</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,689,669)
Adjustments to revenues for GRT capital projects revenues				213,129
Adjustments to expenditures for non capital equipment and construction expenditures				1,137
Net change in fund balance (GAAP)				<u>\$ (1,475,403)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-31

McKinley County

Federal Grants Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	222,865	422,865	304,460	(118,405)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>222,865</u>	<u>422,865</u>	<u>304,460</u>	<u>(118,405)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	200,000	400,000	250,763	149,237
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>200,000</u>	<u>400,000</u>	<u>250,763</u>	<u>149,237</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>22,865</u>	<u>22,865</u>	<u>53,697</u>	<u>30,832</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	247,135	47,135	-	(47,135)
Transfers in	-	200,000	200,000	-
Transfers (out)	(270,000)	(270,000)	-	270,000
<i>Total other financing sources (uses)</i>	<u>(22,865)</u>	<u>(22,865)</u>	<u>200,000</u>	<u>222,865</u>
<i>Net change in fund balance</i>	-	-	253,697	253,697
<i>Fund balance - beginning of year</i>	-	-	225,034	225,034
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 478,731</u>	<u>\$ 478,731</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 253,697
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 253,697</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

McKinley County

CDBG/Thoreau Wastewater Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	428,388	428,388	450,000	21,612
State operating grants	50,000	50,000	50,000	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>478,388</u>	<u>478,388</u>	<u>500,000</u>	<u>21,612</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	478,388	478,388	478,388	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>478,388</u>	<u>478,388</u>	<u>478,388</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>21,612</u>	<u>21,612</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>21,612</u>	<u>21,612</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>478,388</u>	<u>478,388</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 21,612
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 21,612</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

McKinley County

Infrastructure Gross Receipts Capital Projects Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	450,000	450,000	548,473	98,473
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Investment income	-	-	(23,010)	(23,010)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>450,000</u>	<u>450,000</u>	<u>525,463</u>	<u>75,463</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	367,620	367,620	125,741	241,879
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	165,000	165,000	81,300	83,700
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>532,620</u>	<u>532,620</u>	<u>207,041</u>	<u>325,579</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(82,620)</u>	<u>(82,620)</u>	<u>318,422</u>	<u>401,042</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	182,620	182,620	-	(182,620)
Transfers in	-	-	-	-
Transfers (out)	(100,000)	(100,000)	(100,000)	-
<i>Total other financing sources (uses)</i>	<u>82,620</u>	<u>82,620</u>	<u>(100,000)</u>	<u>(182,620)</u>
<i>Net change in fund balance</i>	-	-	218,422	218,422
<i>Fund balance - beginning of year</i>	-	-	1,801,597	1,801,597
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,020,019</u>	<u>\$ 2,020,019</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 218,422
Adjustments to revenue for gross receipt taxes				33,153
Adjustments to expenditures for repairs and maintenance				(42,814)
Net change in fund balance (GAAP)				<u>\$ 208,761</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

McKinley County

Courthouse Annex Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	87,044	87,044	-	(87,044)
Transfers in	-	-	-	-
Transfers (out)	(87,044)	(87,044)	(87,044)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(87,044)</u>	<u>(87,044)</u>
<i>Net change in fund balance</i>	-	-	(87,044)	(87,044)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>87,044</u>	<u>87,044</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (87,044)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (87,044)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-35

McKinley County

State Projects Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	373,000	1,703,625	1,111,302	(592,323)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	2,000	2,000	-	(2,000)
<i>Total revenues</i>	<u>375,000</u>	<u>1,705,625</u>	<u>1,111,302</u>	<u>(594,323)</u>
<i>Expenditures:</i>				
Current:				
General government	355,000	1,687,185	1,137,479	549,706
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	20,000	20,000	-	20,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>375,000</u>	<u>1,707,185</u>	<u>1,137,479</u>	<u>569,706</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(1,560)</u>	<u>(26,177)</u>	<u>(24,617)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	1,560	-	(1,560)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,560</u>	<u>-</u>	<u>(1,560)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(26,177)</u>	<u>(26,177)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,308,559</u>	<u>2,308,559</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,282,382</u>	<u>\$ 2,282,382</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (26,177)
Adjustments to revenues for state grant revenue				(292,556)
Adjustments to expenditures for construction expenditures				253,392
Net change in fund balance (GAAP)				<u>\$ (65,341)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-36

McKinley County

Judicial Complex Construction Capital Projects Fund (Major)
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	405,000	405,000	10,770	394,230
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	9,095,000	9,095,000	7,672,874	1,422,126
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>9,500,000</u>	<u>9,500,000</u>	<u>7,683,644</u>	<u>1,816,356</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(9,500,000)</u>	<u>(9,500,000)</u>	<u>(7,683,644)</u>	<u>1,816,356</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	5,600,000	5,600,000	-	(5,600,000)
Transfers in	3,900,000	3,900,000	3,900,000	-
<i>Total other financing sources (uses)</i>	<u>9,500,000</u>	<u>9,500,000</u>	<u>3,900,000</u>	<u>(5,600,000)</u>
<i>Net change in fund balance</i>	-	-	(3,783,644)	(3,783,644)
<i>Fund balance - beginning of year</i>	-	-	5,598,685	5,598,685
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,815,041</u>	<u>\$ 1,815,041</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (3,783,644)
No adjustments to revenues				-
Adjustments to expenditures for capital outlay expenditures				103,706
Net change in fund balance (GAAP)				<u>\$ (3,679,938)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-37

McKinley County

General Obligation Bonds Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ 3,500	\$ 3,500	\$ 772	\$ (2,728)
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,500</u>	<u>3,500</u>	<u>772</u>	<u>(2,728)</u>
<i>Expenditures:</i>				
Current:				
General government	500	500	7	493
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>500</u>	<u>500</u>	<u>7</u>	<u>493</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,000</u>	<u>3,000</u>	<u>765</u>	<u>(2,235)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,500	1,500	-	(1,500)
Transfers in	-	-	-	-
Transfers (out)	(4,500)	(4,500)	(4,500)	-
<i>Total other financing sources (uses)</i>	<u>(3,000)</u>	<u>(3,000)</u>	<u>(4,500)</u>	<u>(1,500)</u>
<i>Net change in fund balance</i>	-	-	(3,735)	(3,735)
<i>Fund balance - beginning of year</i>	-	-	4,301	4,301
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 566</u>	<u>\$ 566</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (3,735)
Adjustments to revenues for property taxes				230
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (3,505)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-38

McKinley County

General Revenue/Gross Receipts Tax Bonds/Notes Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	115,000	115,000	475,000	(360,000)
Interest	19,000	19,000	19,000	-
<i>Total expenditures</i>	<u>134,000</u>	<u>134,000</u>	<u>494,000</u>	<u>(360,000)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(134,000)</u>	<u>(134,000)</u>	<u>(494,000)</u>	<u>(360,000)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	134,000	134,000	494,000	360,000
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>134,000</u>	<u>134,000</u>	<u>494,000</u>	<u>360,000</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Fund balance - beginning of year</i>	-	-	134,647	134,647
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,647</u>	<u>\$ 134,647</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-39

McKinley County

Courthouse Project Debt Service Fund (Major)

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,200,720	1,200,720	600,360	(600,360)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,200,720</u>	<u>1,200,720</u>	<u>600,360</u>	<u>(600,360)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	465,629	-	232,814	(232,814)
Bond defeasance costs	-	7,125	7,124	1
<i>Total expenditures</i>	<u>465,629</u>	<u>7,125</u>	<u>239,938</u>	<u>(232,813)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>735,091</u>	<u>1,193,595</u>	<u>360,422</u>	<u>(833,173)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(967,905)	(2,161,409)	-	2,161,409
Payments to bond escrow agent	(735,000)	-	(10,095,000)	(10,095,000)
Transfers in	967,814	967,814	11,000,000	10,032,186
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(735,091)</u>	<u>(1,193,595)</u>	<u>905,000</u>	<u>2,098,595</u>
<i>Net change in fund balance</i>	-	-	1,265,422	1,265,422
<i>Fund balance - beginning of year</i>	-	-	700,638	700,638
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,966,060</u>	<u>\$ 1,966,060</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 1,265,422
Adjustments to revenues for gross receipt taxes				(100,057)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 1,165,365</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-40

McKinley County

Law Enforcement JDC Bonds Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	700,200	700,200	700,201	1
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>700,200</u>	<u>700,200</u>	<u>700,201</u>	<u>1</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	280,000	280,000	280,000	-
Interest	419,744	419,744	419,744	-
<i>Total expenditures</i>	<u>699,744</u>	<u>699,744</u>	<u>699,744</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>456</u>	<u>456</u>	<u>457</u>	<u>1</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(456)	(456)	-	456
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(456)</u>	<u>(456)</u>	<u>-</u>	<u>456</u>
<i>Net change in fund balance</i>	-	-	457	457
<i>Fund balance - beginning of year</i>	-	-	326,262	326,262
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,719</u>	<u>\$ 326,719</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 457
Adjustments to revenue for gross receipt taxes				120,950
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 121,407</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-41

McKinley County

Judicial Complex Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	194,400	194,400	194,400	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	290,000	290,000	290,000	-
<i>Total revenues</i>	<u>484,400</u>	<u>484,400</u>	<u>484,400</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	240,000	240,000	240,000	-
Interest	243,950	243,950	243,950	-
<i>Total expenditures</i>	<u>483,950</u>	<u>483,950</u>	<u>483,950</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>450</u>	<u>450</u>	<u>450</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(450)	(450)	-	450
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(450)</u>	<u>(450)</u>	<u>-</u>	<u>450</u>
<i>Net change in fund balance</i>	-	-	450	450
<i>Fund balance - beginning of year</i>	-	-	116,678	116,678
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,128</u>	<u>\$ 117,128</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 450
Adjustments to revenue for gross receipt taxes				77,200
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 77,650</u>

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
 McKinley County
 Schedule of Collateral Pledged by Depository For Public Funds
 June 30, 2013

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value *Par Value at June 30, 2013	Location of Safekeeper
US Bank					
	FHLMC Gold Pool G11311, 6.00%	10/1/2017	31283KN46	\$ 29,107	Federal Home Loan Bank- Dallas, TX
	FHLMC Gold Pool G11356, 6.00%	1/1/2018	31283KQH4	179,316	Federal Home Loan Bank- Dallas, TX
	FNMA Pool AE9826, 4.00%	4/20/2034	38374GJ52	<u>2,123,813</u>	Federal Home Loan Bank- Dallas, TX
	Total US Bank			<u>2,332,236</u>	
Pinnacle Bank					
	FNMA 257504, 5.00%	12/1/2018	31371PAD2	499,194	Federal Reserve Bank of Kansas City
	FHLMC 3564 LA, 4.00%	8/15/2019	31398JEB5	927,598	Federal Reserve Bank of Kansas City
	FHLB Bonds, 2.33%	4/5/2016	313373AZ5	6,501,581	Federal Reserve Bank of Kansas City
	FHLB Bonds, 2.50%	10/30/2014	3133XXRS8	7,717,125	Federal Reserve Bank of Kansas City
	FHLB Bonds, 2.12%	6/10/2016	313373SZ6	2,592,300	Federal Reserve Bank of Kansas City
	FNMA 303603, 6.50%	2/1/2014	31373UGL5	767	Federal Reserve Bank of Kansas City
	FNMA 238817 ARM, 5.73%	11/1/2024	3137ORG27	151,991	Federal Reserve Bank of Kansas City
	FNMA 303603, 6.50%	2/1/2014	31373UGL5	2,760	Federal Reserve Bank of Kansas City
	FNMA 323755, 6.50%	11/1/2013	31374TTL3	297	Federal Reserve Bank of Kansas City
	FNMA 323794, 6.50%	6/1/2014	31374TUT4	2,954	Federal Reserve Bank of Kansas City
	FHLMC G11533, 5.00%	3/1/2019	31283KV21	870,881	Federal Reserve Bank of Kansas City
	FNMA 10 137 BJ, 2.00%	12/25/2025	31398SRD7	6,065,161	Federal Reserve Bank of Kansas City
	FHLMC 3758 CH, 1.50%	9/15/2018	3137A3CE7	2,180,311	Federal Reserve Bank of Kansas City
	FHLMC 3884 DJ, 2.50%	2/15/2025	3137ABVT5	2,479,001	Federal Reserve Bank of Kansas City
*	CORRALES NM GO, 3.75%	8/1/2015	22025PBF5	80,000	Federal Reserve Bank of Kansas City
*	CORRALES NM GO, 4.00%	8/1/2016	22025PBG3	84,000	Federal Reserve Bank of Kansas City
	WEST POINT NE COP, 4.20%	11/1/2016	955444ABO	250,422	Federal Reserve Bank of Kansas City
	WEST POINT NE COP, 4.25%	11/1/2017	955444AC8	<u>400,572</u>	Federal Reserve Bank of Kansas City
	Total Pinnacle Bank			<u>30,806,915</u>	
Washington Federal					
	FHLMC GOLD PC A94288, 2.50%	8/20/2061	3620E0NW2	<u>\$ 4,897,867</u>	Federal Home Loan Bank- Seattle WA
	Total Washington Federal			<u>4,897,867</u>	

* As per NMSA 2.2.2.10 (N) (4), the value of collateral consisting of obligations of the State of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions shall be par value.

See independent auditors' report

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value *Par Value at June 30, 2013	Location of Safekeeper
Wells Fargo					
	FN AH0220 3.000%	12/1/2025	3138A1G62	\$ 7,955	Bank of NY Mellon, New York, NY
	FN AH0946 4.000%	12/1/2040	3138A2BQ1	340,257	Bank of NY Mellon, New York, NY
	FN AH0953 4.500%	12/1/2040	3138A2BX6	509,483	Bank of NY Mellon, New York, NY
	FN AH0965 3.000%	12/1/2025	3138A2CB3	232,004	Bank of NY Mellon, New York, NY
	FN AH1560 4.000%	1/1/2041	3138A2WW5	126,731	Bank of NY Mellon, New York, NY
	FN AH2340 4.000%	1/1/2041	3138A3S65	6,991	Bank of NY Mellon, New York, NY
	FN AH3394 4.000%	1/1/2041	3138A4XY6	9,299	Bank of NY Mellon, New York, NY
	FN AH6292 4.500%	4/1/2041	3138A77E2	136,404	Bank of NY Mellon, New York, NY
	FN AH6438 3.500%	2/1/2026	3138A8EL6	89,925	Bank of NY Mellon, New York, NY
	FN AH7996 3.000%	11/1/2026	3138A93E2	4,037	Bank of NY Mellon, New York, NY
	FN AI18121 3.500%	3/1/2026	3138AAAX9	240,596	Bank of NY Mellon, New York, NY
	FN AH8825 4.500%	3/1/2041	3138AAYX3	288,810	Bank of NY Mellon, New York, NY
	FN AH9756 4.000%	4/1/2041	3138ABZW2	9,359	Bank of NY Mellon, New York, NY
	FN AH9937 4.500%	5/1/2041	3138ACBF3	2,904	Bank of NY Mellon, New York, NY
	FN A17778 4.000%	7/1/2041	3138AMUC7	158,688	Bank of NY Mellon, New York, NY
	FN AJ0784 4.000%	9/1/2041	3138AR2S2	3,180	Bank of NY Mellon, New York, NY
	FN AJ3737 3.000%	11/1/2026	3138AVEK7	13,493	Bank of NY Mellon, New York, NY
	FN AJ3790 3.000%	11/1/2026	3138AVF83	105,477	Bank of NY Mellon, New York, NY
	FN AJ9148 3.000%	12/1/2026	3138E2EW1	16,880	Bank of NY Mellon, New York, NY
	FN AK1225 3.500%	3/1/2042	3138E5LF3	18,701	Bank of NY Mellon, New York, NY
	FN AK7286 3.000%	3/1/2042	3138ECCY7	3,875	Bank of NY Mellon, New York, NY
	FN AL0959 3.500%	11/1/2041	3138EH850	330,217	Bank of NY Mellon, New York, NY
	FN A09665 3.000%	7/1/2042	3138M1W38	4,719	Bank of NY Mellon, New York, NY
	FN AP4785 3.000%	9/1/2042	3138M8J79	18,654	Bank of NY Mellon, New York, NY
	FN AQ0452 3.000%	10/1/2042	3138MFQE0	4,624	Bank of NY Mellon, New York, NY
	FN AQ9185 3.000%	1/1/2043	3138MRF30	259,563	Bank of NY Mellon, New York, NY
	FN A09991 3.000%	2/1/2043	3138MSC56	57,916	Bank of NY Mellon, New York, NY
	FN AR1050 3.000%	1/1/2043	3138NXEY9	33,694	Bank of NY Mellon, New York, NY
	FN AR2111 3.000%	12/1/2042	3138NYKZ7	24,181	Bank of NY Mellon, New York, NY
	FN AR3856 3.000%	2/1/2043	3138W1JA6	4,827	Bank of NY Mellon, New York, NY
	FN AR9199 3.000%	3/1/2043	3138W7GH1	4,860	Bank of NY Mellon, New York, NY
	FN AT4979 3.000%	4/1/2043	3138W8Q92	4,804	Bank of NY Mellon, New York, NY
	FN AT5895 3.000%	6/1/2043	3138WTRR9	44,137	Bank of NY Mellon, New York, NY
	FN A86498 3.000%	10/1/2042	31417DGG2	19,143	Bank of NY Mellon, New York, NY
	FN AB6588 3.000%	10/1/2042	31417DKA0	490,055	Bank of NY Mellon, New York, NY
	FN AB7507 3.000%	1/1/1943	31417EKV2	14,500	Bank of NY Mellon, New York, NY
	FN AB7579 3.000%	1/1/2043	31417EM57	9,595	Bank of NY Mellon, New York, NY
	FN AB8489 3.000%	2/1/2043	31417FNF1	4,832	Bank of NY Mellon, New York, NY
	FN MA1027 3.500%	4/1/2042	31418AD96	213,883	Bank of NY Mellon, New York, NY
	FN AD6388 4.000%	5/1/2025	31418UC28	405,904	Bank of NY Mellon, New York, NY
	FN AD7993 4.500%	7/1/2040	31418V3B6	4,853,019	Bank of NY Mellon, New York, NY
	FN A08529 4.500%	8/1/2040	31418WPP9	15,407	Bank of NY Mellon, New York, NY
	FN AE0215 4.000%	12/1/2039	31419AGZ4	79,269	Bank of NY Mellon, New York, NY
	FN AE0385 4.000%	9/1/2040	31419AN69	395,652	Bank of NY Mellon, New York, NY
	FN AE4310 4.000%	9/1/2040	31419EYG8	237,856	Bank of NY Mellon, New York, NY
	Total Wells Fargo			<u>9,856,360</u>	
	Total Pledged Collateral			<u>\$ 47,893,378</u>	

STATE OF NEW MEXICO
 McKinley County
 Schedule of Deposit and Investment Accounts
 June 30, 2013

Bank Account Type/Name	US Bank	Pinnacle Bank	Washington Federal Bank	Wells Fargo Bank	Bank of Albuquerque
Certificate of Deposit	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Certificate of Deposit	1,502,736	-	-	-	-
Seizure	-	9,413	-	-	-
CDBG	-	550,382	-	-	-
Operational	-	4,880,735	-	-	-
Payroll Warrant Account	-	8,420	-	-	-
Accounts Payable Warrant Account	-	(50,688)	-	-	-
Certificate of Deposit	-	1,000,000	-	-	-
Certificate of Deposit	-	1,000,000	-	-	-
Certificate of Deposit	-	-	2,000,000	-	-
Certificate of Deposit	-	-	3,000,984	-	-
Savings	-	-	-	9,558,086	-
Trust Account (Bond Defeasement 2013) **	-	-	-	-	669,042
Trust Account (Bond Defeasement) **	-	-	-	-	9,114
State Treasurer Pool	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Federal Home Loan Banks 0.75%	-	-	-	-	-
Federal Home Loan Banks 0.70%	-	-	-	-	-
Federal Home Loan Banks 0.625%	-	-	-	-	-
Federal Home Loan Banks 1.125%	-	-	-	-	-
Federal Home Loan Banks 1.39%	-	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-	-
Federal Home Loan Banks 1.125%	-	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-	-
Federal Home Loan Banks 1.125%	-	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-	-
Total	2,502,736	7,398,262	5,000,984	9,558,086	678,156
Reconciling items	-	(2,177,464)	-	-	-
Reconciled balance	\$ 2,502,736	\$ 5,220,798	\$ 5,000,984	\$ 9,558,086	\$ 678,156

Petty cash

Less: investments per Exhibit A-1

Less: restricted cash and cash equivalents per Exhibit A-1

Less: agency funds cash per Exhibit D-1

Total unrestricted cash and cash equivalents per Exhibit A-1

**Accounts are U.S. Treasury MMA Mutual Funds

See independent auditors' report

LGIP	First Financial Credit Union	National Financial Services Corp.	Totals
\$ -	\$ -	\$ -	\$ 1,000,000
-	-	-	1,502,736
-	-	-	9,413
-	-	-	550,382
-	-	-	4,880,735
-	-	-	8,420
-	-	-	(50,688)
-	-	-	1,000,000
-	-	-	1,000,000
-	-	-	2,000,000
-	-	-	3,000,984
-	-	-	9,558,086
-	-	-	669,042
-	-	-	9,114
2,935	-	-	2,935
-	99,218	-	99,218
-	-	2,381,960	2,381,960
-	-	4,877,750	4,877,750
-	-	3,411,555	3,411,555
-	-	962,380	962,380
-	-	1,405,020	1,405,020
-	-	2,925,090	2,925,090
-	-	2,903,370	2,903,370
-	-	2,883,540	2,883,540
-	-	1,943,600	1,943,600
-	-	973,680	973,680
-	-	1,901,320	1,901,320
-	-	2,869,200	2,869,200
2,935	99,218	29,438,465	54,678,842
-	-	-	(2,177,464)
<u>\$ 2,935</u>	<u>\$ 99,218</u>	<u>\$ 29,438,465</u>	52,501,378
			1,100
			(39,713,380)
			(551,547)
			(702,716)
			<u>\$ 11,534,835</u>

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STATE OF NEW MEXICO
 McKinley County
 Reconciliation of Property Tax Rolls
 For the Year Ended June 30, 2013

Schedule III

Property taxes receivable, beginning of year	\$	2,168,966
Changes to tax roll:		
Net tax charges to treasurer for fiscal year		26,035,838
Adjustments:		
Net decrease in taxes receivable		<u>(31,151)</u>
Total receivable prior to collections		28,173,653
Collections for fiscal year ended June 30, 2013		<u>(26,278,883)</u>
Property taxes receivable, end of year	\$	<u><u>1,894,770</u></u>
Property taxes receivable are reported as follows:		
General Fund	\$	469,940
Debt Service Fund		3,567
Agency Funds		<u>1,421,263</u>
Total property taxes receivable	\$	<u><u>1,894,770</u></u>

Property taxes receivable by year:

2003	\$	15,372
2004		17,057
2005		13,614
2006		11,861
2007		19,632
2008		39,801
2009		130,132
2010		189,357
2011		428,915
2012		<u>1,029,029</u>
Total property taxes receivable	\$	<u><u>1,894,770</u></u>

See independent auditors' report

STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2013

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
001 STATE DEBT SERVICE							
STATE DEBT SERVICE 2003	\$ 296,223	\$ 296,161	\$ 34	\$ 296,195	\$ 42	\$ 296,330	\$ 28
STATE DEBT SERVICE 2004	204,483	204,411	33	204,444	44	204,540	39
STATE DEBT SERVICE 2005	261,312	261,196	40	261,236	68	261,419	76
STATE DEBT SERVICE 2006	282,677	282,563	43	282,606	88	283,458	71
STATE DEBT SERVICE 2007	288,871	288,488	124	288,612	213	292,659	259
STATE DEBT SERVICE 2008	303,677	302,809	488	303,297	531	304,366	380
STATE DEBT SERVICE 2009	295,499	291,796	2,208	294,004	3,221	297,978	1,495
STATE DEBT SERVICE 2010	1,125,365	1,099,326	17,525	1,116,851	14,852	1,112,223	8,514
STATE DEBT SERVICE 2011	1,037,923	989,733	30,268	1,020,001	46,215	1,016,563	17,922
STATE DEBT SERVICE 2012	1,043,126	-	1,001,469	1,001,469	991,182	991,182	41,657
Total	\$ 5,139,156	\$ 4,016,483	\$ 1,052,232	\$ 5,068,715	\$ 1,056,456	\$ 5,060,718	\$ 70,441
002 COUNTY OPERATIONAL- RES							
COUNTY OPERATIONAL - RES 2003	\$ 993,904	\$ 993,699	\$ 112	\$ 993,811	\$ 177	\$ 993,708	\$ 93
COUNTY OPERATIONAL - RES 2004	1,037,336	1,036,967	170	1,037,137	289	1,037,093	199
COUNTY OPERATIONAL - RES 2005	1,083,791	1,083,306	168	1,083,474	420	1,083,696	317
COUNTY OPERATIONAL - RES 2006	1,151,511	1,151,043	178	1,151,221	464	1,150,345	290
COUNTY OPERATIONAL - RES 2007	1,232,377	1,230,742	528	1,231,270	1,194	1,222,738	1,107
COUNTY OPERATIONAL - RES 2008	1,302,899	1,299,172	2,094	1,301,266	2,278	1,305,850	1,633
COUNTY OPERATIONAL - RES 2009	1,396,300	1,378,799	10,432	1,389,231	15,218	1,409,890	7,069
COUNTY OPERATIONAL - RES 2010	1,412,760	1,364,836	32,205	1,397,041	27,142	1,387,584	15,719
COUNTY OPERATIONAL - RES 2011	1,450,615	1,347,162	59,654	1,406,816	80,847	1,399,769	43,799
COUNTY OPERATIONAL - RES 2012	1,511,648	-	1,403,731	1,403,731	1,378,676	1,378,676	107,917
Total	\$ 12,573,141	\$ 10,885,726	\$ 1,509,272	\$ 12,394,998	\$ 1,506,705	\$ 12,369,349	\$ 178,143
003 COUNTY DEBT SERVICE							
COUNTY DEBT SERVICE 2003	\$ 23,581	\$ 23,576	\$ 3	\$ 23,579	\$ 4	\$ 23,687	\$ 2
COUNTY DEBT SERVICE 2004	496,688	496,511	81	496,592	106	496,515	96
COUNTY DEBT SERVICE 2005	248,818	248,707	39	248,746	65	249,060	73
COUNTY DEBT SERVICE 2006	254,650	254,547	39	254,586	80	254,521	64
COUNTY DEBT SERVICE 2007	250,545	250,212	107	250,320	185	249,450	225
COUNTY DEBT SERVICE 2008	197,512	196,947	317	197,264	345	198,607	248
COUNTY DEBT SERVICE 2009	-	-	-	-	-	4,752	-
COUNTY DEBT SERVICE 2010	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2011	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2012	-	-	-	-	-	-	-
Total	\$ 1,471,794	\$ 1,470,500	\$ 586	\$ 1,471,087	\$ 785	\$ 1,476,592	\$ 708

See independent auditors' report

STATE OF NEW MEXICO
McKinley County
McKinley County Treasurer Property Tax Schedule
For the Year Ended June 30, 2013

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
004 GALLUP MUNICIPAL OPERATIONAL - RES							
GALLUP MUNICIPAL OPERATIONAL - RES 2003	\$ 724,623	\$ 724,519	\$ 103	\$ 724,623	\$ 143	\$ 724,664	\$ -
GALLUP MUNICIPAL OPERATIONAL - RES 2004	755,930	755,723	145	755,868	180	755,919	62
GALLUP MUNICIPAL OPERATIONAL - RES 2005	790,010	789,823	106	789,929	184	790,209	81
GALLUP MUNICIPAL OPERATIONAL - RES 2006	838,926	838,738	132	838,870	284	841,827	56
GALLUP MUNICIPAL OPERATIONAL - RES 2007	897,389	896,346	272	896,618	710	912,896	771
GALLUP MUNICIPAL OPERATIONAL - RES 2008	949,679	947,432	1,160	948,592	1,299	950,894	1,087
GALLUP MUNICIPAL OPERATIONAL - RES 2009	1,019,060	1,008,474	6,162	1,014,636	9,369	1,026,228	4,424
GALLUP MUNICIPAL OPERATIONAL - RES 2010	1,030,355	1,003,033	18,407	1,021,440	16,543	1,016,425	8,915
GALLUP MUNICIPAL OPERATIONAL - RES 2011	1,057,487	998,319	33,945	1,032,264	50,494	1,029,035	25,223
GALLUP MUNICIPAL OPERATIONAL - RES 2012	1,102,893	-	1,038,309	1,038,309	1,023,364	1,023,364	64,584
Total	\$ 9,166,352	\$ 7,962,407	\$ 1,098,741	\$ 9,061,149	\$ 1,102,570	\$ 9,071,461	\$ 105,203
005 GALLUP MUNICIPAL DEBT SERVICE							
GALLUP MUNICIPAL DEBT SERVICE 2003	\$ 334,051	\$ 334,004	\$ 47	\$ 334,051	\$ 59	\$ 334,063	\$ -
GALLUP MUNICIPAL DEBT SERVICE 2004	346,299	346,204	67	346,271	77	346,288	28
GALLUP MUNICIPAL DEBT SERVICE 2005	368,063	367,977	49	368,026	72	368,141	37
GALLUP MUNICIPAL DEBT SERVICE 2006	235,784	235,731	36	235,767	83	236,380	18
GALLUP MUNICIPAL DEBT SERVICE 2007	404,805	404,335	123	404,458	300	410,121	347
GALLUP MUNICIPAL DEBT SERVICE 2008	416,000	415,016	508	415,524	569	416,532	476
GALLUP MUNICIPAL DEBT SERVICE 2009	440,567	435,991	2,663	438,654	4,050	443,665	1,913
GALLUP MUNICIPAL DEBT SERVICE 2010	441,154	429,457	7,881	437,338	7,083	435,191	3,816
GALLUP MUNICIPAL DEBT SERVICE 2011	284,817	268,881	9,142	278,023	13,600	277,154	6,794
GALLUP MUNICIPAL DEBT SERVICE 2012	348,421	-	328,018	328,018	323,296	323,296	20,403
Total	\$ 3,619,961	\$ 3,237,596	\$ 348,534	\$ 3,586,130	\$ 349,189	\$ 3,590,831	\$ 33,832
006 SCHOOL DISTRICT OPERATIONAL - RES							
SCHOOL DISTRICT OPERATIONAL - RES 2003	\$ 45,595	\$ 45,585	\$ 5	\$ 45,590	\$ 8	\$ 45,634	\$ 5
SCHOOL DISTRICT OPERATIONAL - RES 2004	47,537	47,520	7	47,527	13	47,574	10
SCHOOL DISTRICT OPERATIONAL - RES 2005	49,758	49,737	7	49,744	18	49,807	14
SCHOOL DISTRICT OPERATIONAL - RES 2006	52,765	52,743	8	52,751	20	53,042	14
SCHOOL DISTRICT OPERATIONAL - RES 2007	56,540	56,464	25	56,489	53	57,820	51
SCHOOL DISTRICT OPERATIONAL - RES 2008	59,759	59,588	96	59,684	105	59,895	75
SCHOOL DISTRICT OPERATIONAL - RES 2009	63,978	63,176	478	63,654	697	64,601	324
SCHOOL DISTRICT OPERATIONAL - RES 2010	64,755	62,557	1,476	64,033	1,244	63,599	722
SCHOOL DISTRICT OPERATIONAL - RES 2011	66,435	61,696	2,732	64,429	3,701	64,105	2,006
SCHOOL DISTRICT OPERATIONAL - RES 2012	69,248	-	64,304	64,304	63,156	63,156	4,944
Total	\$ 576,370	\$ 499,066	\$ 69,138	\$ 568,205	\$ 69,015	\$ 569,233	\$ 8,165

See independent auditors' report

STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2013

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
007 SCHOOL DISTRICT DEBT SERVICE							
SCHOOL DISTRICT DEBT SERVICE 2003	\$ 1,565,606	\$ 1,565,285	\$ 176	\$ 1,565,461	\$ 221	\$ 1,566,174	\$ 145
SCHOOL DISTRICT DEBT SERVICE 2004	1,602,720	1,602,149	262	1,602,411	343	1,603,162	309
SCHOOL DISTRICT DEBT SERVICE 2005	1,718,483	1,717,713	266	1,717,979	450	1,719,183	504
SCHOOL DISTRICT DEBT SERVICE 2006	1,775,603	1,774,883	275	1,775,158	555	1,780,507	445
SCHOOL DISTRICT DEBT SERVICE 2007	1,919,266	1,916,719	822	1,917,542	1,419	1,944,436	1,724
SCHOOL DISTRICT DEBT SERVICE 2008	2,028,648	2,022,844	3,261	2,026,105	3,547	2,033,244	2,543
SCHOOL DISTRICT DEBT SERVICE 2009	2,146,729	2,119,822	16,039	2,135,861	23,398	2,167,625	10,868
SCHOOL DISTRICT DEBT SERVICE 2010	2,167,700	2,094,161	49,417	2,143,577	41,649	2,129,068	24,123
SCHOOL DISTRICT DEBT SERVICE 2011	2,193,910	2,037,438	90,225	2,127,663	122,229	2,117,005	66,247
SCHOOL DISTRICT DEBT SERVICE 2012	2,206,678	-	2,049,133	2,049,133	2,012,556	2,012,556	157,545
Total	\$ 19,325,343	\$ 16,851,014	\$ 2,209,876	\$ 19,060,890	\$ 2,206,367	\$ 19,072,960	\$ 264,453
008 SCHOOL DIST. CAP. IMPROVEMENT - RES							
SCHOOL DIST. CAP. IMPROVEMENT 2003	\$ 381,513	\$ 381,435	\$ 43	\$ 381,478	\$ 54	\$ 381,655	\$ 35
SCHOOL DIST. CAP. IMPROVEMENT 2004	397,796	397,654	65	397,719	85	397,906	77
SCHOOL DIST. CAP. IMPROVEMENT 2005	415,645	415,460	64	415,524	46	415,756	121
SCHOOL DIST. CAP. IMPROVEMENT 2006	437,880	437,702	68	437,770	108	439,060	110
SCHOOL DIST. CAP. IMPROVEMENT 2007	468,639	468,017	201	468,218	324	474,800	421
SCHOOL DIST. CAP. IMPROVEMENT 2008	485,846	484,456	781	485,236	850	486,947	610
SCHOOL DIST. CAP. IMPROVEMENT 2009	513,879	507,438	3,839	511,277	5,601	518,881	2,602
SCHOOL DIST. CAP. IMPROVEMENT 2010	518,030	500,457	11,810	512,266	9,953	508,799	5,764
SCHOOL DIST. CAP. IMPROVEMENT 2011	525,173	487,717	21,598	509,315	29,259	506,764	15,858
SCHOOL DIST. CAP. IMPROVEMENT 2012	528,608	-	490,869	490,869	482,107	482,107	37,739
Total	\$ 4,673,009	\$ 4,080,336	\$ 529,338	\$ 4,609,672	\$ 528,387	\$ 4,612,675	\$ 63,337
009 GALLUP BRANCH COLLEGE - RES							
GALLUP BRANCH COLLEGE - RES 2003	\$ 130,766	\$ 130,740	\$ 14	\$ 130,754	\$ 20	\$ 130,841	\$ 12
GALLUP BRANCH COLLEGE - RES 2004	136,454	136,406	23	136,429	32	136,521	25
GALLUP BRANCH COLLEGE - RES 2005	423,521	423,332	65	423,397	46	423,629	124
GALLUP BRANCH COLLEGE - RES 2006	437,920	437,742	68	437,810	108	439,100	110
GALLUP BRANCH COLLEGE - RES 2007	468,677	468,055	201	468,256	324	474,838	421
GALLUP BRANCH COLLEGE - RES 2008	485,885	484,494	781	485,276	850	486,985	610
GALLUP BRANCH COLLEGE - RES 2009	513,913	507,471	3,840	511,311	5,601	518,915	2,602
GALLUP BRANCH COLLEGE - RES 2010	518,063	500,490	11,809	512,299	9,953	508,832	5,764
GALLUP BRANCH COLLEGE - RES 2011	525,204	487,749	21,598	509,346	29,271	506,795	15,858
GALLUP BRANCH COLLEGE - RES 2012	528,640	-	490,901	490,901	482,139	482,139	37,739
Total	\$ 4,169,043	\$ 3,576,479	\$ 529,300	\$ 4,105,779	\$ 528,344	\$ 4,108,595	\$ 63,265

See independent auditors' report

STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2013

Schedule IV
 Page 4 of 16

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
010 GALLUP BRANCH DEBT SERVICE							
GALLUP BRANCH DEBT SERVICE 2003	\$ 389,765	\$ 389,686	\$ 44	\$ 389,730	\$ 55	\$ 389,907	\$ 35
GALLUP BRANCH DEBT SERVICE 2004	397,828	397,686	65	397,751	85	397,938	77
GALLUP BRANCH DEBT SERVICE 2005	635,282	634,998	98	635,096	166	635,542	186
GALLUP BRANCH DEBT SERVICE 2006	437,920	437,742	68	437,810	137	439,129	110
GALLUP BRANCH DEBT SERVICE 2007	473,172	472,544	203	472,747	350	479,377	425
GALLUP BRANCH DEBT SERVICE 2008	485,885	484,494	781	485,275	850	486,985	610
GALLUP BRANCH DEBT SERVICE 2009	642,391	634,339	4,799	639,138	7,001	648,642	3,253
GALLUP BRANCH DEBT SERVICE 2010	647,580	625,612	14,762	640,374	12,441	636,039	7,206
GALLUP BRANCH DEBT SERVICE 2011	656,506	609,686	26,998	636,683	36,589	633,494	19,823
GALLUP BRANCH DEBT SERVICE 2012	880,186	-	817,350	817,350	802,761	802,761	62,836
Total	\$ 5,646,515	\$ 4,686,787	\$ 865,168	\$ 5,551,954	\$ 860,435	\$ 5,549,814	\$ 94,561
011 REHOBOTH CHRISTIAN HOSPITAL - RES							
REHOBOTH CHRISTIAN HOSPITAL 2003	\$ 190,790	\$ 190,751	\$ 22	\$ 190,773	\$ 27	\$ 190,861	\$ 17
REHOBOTH CHRISTIAN HOSPITAL 2004	397,828	397,686	65	397,751	85	397,938	77
REHOBOTH CHRISTIAN HOSPITAL 2005	423,521	423,332	65	423,397	46	423,629	124
REHOBOTH CHRISTIAN HOSPITAL 2006	437,920	437,742	68	437,810	108	439,100	110
REHOBOTH CHRISTIAN HOSPITAL 2007	468,677	468,055	201	468,256	324	474,838	421
REHOBOTH CHRISTIAN HOSPITAL 2008	485,885	484,494	781	485,276	850	486,985	610
REHOBOTH CHRISTIAN HOSPITAL 2009	513,913	507,471	3,840	511,311	5,601	518,915	2,602
REHOBOTH CHRISTIAN HOSPITAL 2010	518,063	500,490	11,809	512,299	9,953	508,832	5,764
REHOBOTH CHRISTIAN HOSPITAL 2011	525,204	487,749	21,598	509,346	29,271	506,795	15,858
REHOBOTH CHRISTIAN HOSPITAL 2012	528,640	-	490,901	490,901	482,139	482,139	37,739
Total	\$ 4,490,441	\$ 3,897,770	\$ 529,350	\$ 4,427,120	\$ 528,404	\$ 4,430,032	\$ 63,322
012 UNM - GALLUP SPECIAL VOCATIONAL - RES							
UNM - GALLUP SPECIAL VOCATIONAL 2003	\$ 130,766	\$ 130,740	\$ 14	\$ 130,754	\$ 20	\$ 130,841	\$ 12
UNM - GALLUP SPECIAL VOCATIONAL 2004	136,454	136,406	23	136,429	32	136,521	25
UNM - GALLUP SPECIAL VOCATIONAL 2005	211,761	211,666	33	211,698	23	211,815	63
UNM - GALLUP SPECIAL VOCATIONAL 2006	218,961	218,871	34	218,905	54	219,550	56
UNM - GALLUP SPECIAL VOCATIONAL 2007	234,457	234,146	100	234,246	162	237,539	211
UNM - GALLUP SPECIAL VOCATIONAL 2008	242,942	242,247	391	242,638	425	243,492	304
UNM - GALLUP SPECIAL VOCATIONAL 2009	256,956	253,736	1,919	255,655	2,800	259,456	1,301
UNM - GALLUP SPECIAL VOCATIONAL 2010	259,032	250,245	5,905	256,150	4,977	254,416	2,882
UNM - GALLUP SPECIAL VOCATIONAL 2011	262,602	243,874	10,799	254,674	14,636	253,398	7,928
UNM - GALLUP SPECIAL VOCATIONAL 2012	264,321	-	245,450	245,450	241,069	241,069	18,871
Total	\$ 2,218,252	\$ 1,921,931	\$ 264,668	\$ 2,186,599	\$ 264,198	\$ 2,188,097	\$ 31,653

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
013 ZUNI SCHOOL DISTRICT OPERATIONAL - RES							
ZUNI SCHOOL DISTRICT OPERATIONAL 2003	\$ 13	\$ 13	\$ -	\$ 12	\$ -	\$ 13	\$ 1
ZUNI SCHOOL DISTRICT OPERATIONAL 2004	8	8	-	8	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2005	11	10	-	11	-	10	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2006	10	10	-	10	-	10	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2007	10	10	-	9	-	10	1
ZUNI SCHOOL DISTRICT OPERATIONAL 2008	10	10	-	9	-	10	1
ZUNI SCHOOL DISTRICT OPERATIONAL 2009	9	8	-	9	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2010	9	8	-	9	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2011	8	8	-	8	3	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2012	8	-	8	8	8	8	-
Total	\$ 96	\$ 85	\$ 8	\$ 93	\$ 11	\$ 93	\$ 3
014 ZUNI SCHOOL DISTRICT DEBT SERV - RES							
ZUNI SCHOOL DISTRICT DEBT SERVICE 2003	\$ 36	\$ 36	\$ -	\$ 36	\$ -	\$ 36	\$ -
ZUNI SCHOOL DISTRICT DEBT SERVICE 2004	48	48	-	48	-	48	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2005	56	56	-	56	-	56	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2006	59	59	-	59	-	59	1
ZUNI SCHOOL DISTRICT DEBT SERVICE 2007	59	59	-	59	-	59	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2008	53	53	-	53	-	53	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2009	84	83	-	83	-	83	1
ZUNI SCHOOL DISTRICT DEBT SERVICE 2010	96	96	-	96	-	96	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2011	56	56	-	56	21	55	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2012	72	-	72	72	72	72	-
Total	\$ 535	\$ 546	\$ 72	\$ 618	\$ 93	\$ 617	\$ 2
015 ZUNI SCHOOL DIST CAP IMPROV - RES							
ZUNI SCHOOL DIST CAPITAL IMPROV. 2003	\$ 69	\$ 69	\$ -	\$ 69	\$ -	\$ 69	\$ -
ZUNI SCHOOL DIST CAPITAL IMPROV. 2004	32	32	-	32	-	32	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2005	41	41	-	41	-	41	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2006	40	40	-	40	-	40	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2007	39	39	-	39	-	39	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2008	39	39	-	39	-	39	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2009	33	33	-	33	-	33	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2010	33	33	-	33	-	33	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2011	32	32	-	32	12	31	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2012	32	-	32	32	32	32	-
Total	\$ 390	\$ 358	\$ 32	\$ 390	\$ 44	\$ 389	\$ -

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019 ZUNI SCHOOL DIST EDUC. TECH - RES							
ZUNI SCHOOL DIST EDUC TECH. 2003	\$ 474	\$ 474	\$ -	\$ 474	\$ -	\$ 474	\$ -
ZUNI SCHOOL DIST EDUC TECH. 2004	372	372	-	372	-	372	-
ZUNI SCHOOL DIST EDUC TECH. 2005	300	300	-	300	-	300	-
ZUNI SCHOOL DIST EDUC TECH. 2006	-	-	-	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2007	262	262	-	262	-	262	-
ZUNI SCHOOL DIST EDUC TECH. 2008	172	172	-	172	-	172	-
ZUNI SCHOOL DIST EDUC TECH. 2009	149	149	-	149	-	149	-
ZUNI SCHOOL DIST EDUC TECH. 2010	151	151	-	151	-	151	-
ZUNI SCHOOL DIST EDUC TECH. 2011	382	382	-	382	148	383	-
ZUNI SCHOOL DIST EDUC TECH. 2012	-	-	-	-	-	-	-
Total	\$ 2,262	\$ 2,262	\$ -	\$ 2,262	\$ 148	\$ 2,263	\$ -
022 COUNTY OPERATIONAL - NON RES							
COUNTY OPERATIONAL - NON RES 2003	\$ 4,228,213	\$ 4,490,802	\$ (267,756)	\$ 4,223,046	\$ -	\$ 4,489,835	\$ 5,167
COUNTY OPERATIONAL - NON RES 2004	4,283,704	4,346,777	(68,146)	4,278,631	-	4,345,728	5,073
COUNTY OPERATIONAL - NON RES 2005	4,842,476	4,777,863	60,932	4,838,795	17	4,776,764	3,681
COUNTY OPERATIONAL - NON RES 2006	4,988,034	4,919,250	65,173	4,984,423	169	4,913,815	3,611
COUNTY OPERATIONAL - NON RES 2007	5,389,754	5,315,125	70,388	5,385,513	139	5,303,738	4,241
COUNTY OPERATIONAL - NON RES 2008	5,287,134	5,276,793	1,018	5,277,811	951	5,285,340	9,323
COUNTY OPERATIONAL - NON RES 2009	5,735,062	5,695,502	11,976	5,707,477	17,241	5,742,206	27,585
COUNTY OPERATIONAL - NON RES 2010	5,646,538	5,548,985	65,763	5,614,747	56,059	5,599,452	31,791
COUNTY OPERATIONAL - NON RES 2011	5,918,548	5,721,206	135,380	5,856,586	228,658	5,841,780	61,962
COUNTY OPERATIONAL - NON RES 2012	5,956,809	-	5,817,446	5,817,446	5,779,730	5,779,730	139,363
Total	\$ 52,276,272	\$ 46,092,303	\$ 5,892,174	\$ 51,984,475	\$ 6,082,964	\$ 52,078,388	\$ 291,797
024 GALLUP MUNICIPAL OPERATIONAL - NON RES							
GALLUP MUNICIPAL OPERATIONAL NON RES 2003	\$ 819,238	\$ 860,651	\$ (42,105)	\$ 818,546	\$ -	\$ 860,642	\$ 692
GALLUP MUNICIPAL OPERATIONAL NON RES 2004	862,550	873,122	(11,317)	861,804	-	873,100	746
GALLUP MUNICIPAL OPERATIONAL NON RES 2005	974,738	963,472	10,358	973,830	-	963,445	908
GALLUP MUNICIPAL OPERATIONAL NON RES 2006	1,030,793	1,018,443	11,580	1,030,023	109	1,016,513	770
GALLUP MUNICIPAL OPERATIONAL NON RES 2007	1,125,414	1,111,745	12,579	1,124,324	86	1,107,559	1,090
GALLUP MUNICIPAL OPERATIONAL NON RES 2008	1,180,667	1,176,319	259	1,176,579	230	1,179,783	4,089
GALLUP MUNICIPAL OPERATIONAL NON RES 2009	1,168,518	1,148,880	5,553	1,154,433	8,283	1,170,269	14,085
GALLUP MUNICIPAL OPERATIONAL NON RES 2010	1,163,423	1,113,176	35,909	1,149,085	30,632	1,140,986	14,338
GALLUP MUNICIPAL OPERATIONAL NON RES 2011	1,148,866	1,059,791	61,878	1,121,669	65,309	1,113,203	27,197
GALLUP MUNICIPAL OPERATIONAL NON RES 2012	1,138,508	-	1,080,375	1,080,375	1,058,965	1,058,965	58,133
Total	\$ 10,612,715	\$ 9,325,599	\$ 1,165,069	\$ 10,490,668	\$ 1,163,614	\$ 10,484,465	\$ 122,048

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026 SCHOOL DISTRICT OPERATIONAL - NON RES							
SCHOOL DISTRICT OPERATIONAL - NON RES 2003	\$ 177,220	\$ 188,263	\$ (11,237)	\$ 177,026	\$ -	\$ 188,222	\$ 194
SCHOOL DISTRICT OPERATIONAL - NON RES 2004	17,963	182,293	(164,349)	17,944	-	182,249	19
SCHOOL DISTRICT OPERATIONAL - NON RES 2005	20,302	200,315	(180,026)	20,289	-	200,268	13
SCHOOL DISTRICT OPERATIONAL - NON RES 2006	20,917	206,301	(185,396)	20,905	1	206,066	12
SCHOOL DISTRICT OPERATIONAL - NON RES 2007	22,607	222,948	(200,356)	22,592	1	222,463	15
SCHOOL DISTRICT OPERATIONAL - NON RES 2008	221,733	221,326	43	221,369	40	221,686	364
SCHOOL DISTRICT OPERATIONAL - NON RES 2009	240,692	239,053	505	239,558	727	241,023	1,134
SCHOOL DISTRICT OPERATIONAL - NON RES 2010	236,977	232,918	2,747	235,666	2,338	235,021	1,311
SCHOOL DISTRICT OPERATIONAL - NON RES 2011	248,542	240,274	5,681	245,955	9,617	245,330	2,587
SCHOOL DISTRICT OPERATIONAL - NON RES 2012	250,140	-	244,291	244,291	242,699	242,699	5,849
Total	\$ 1,457,093	\$ 1,933,691	\$ (488,097)	\$ 1,445,595	\$ 255,423	\$ 2,185,027	\$ 11,498
028 SCHOOL DIST CAP IMPROV - NON RES							
SCHOOL DIST CAP IMPROV - NON RES 2003	\$ 708,880	\$ 753,053	\$ (44,948)	\$ 708,105	\$ -	\$ 752,890	\$ 775
SCHOOL DIST CAP IMPROV - NON RES 2004	718,515	729,173	(11,415)	717,758	-	728,996	757
SCHOOL DIST CAP IMPROV - NON RES 2005	812,070	801,261	10,303	811,564	64	801,137	506
SCHOOL DIST CAP IMPROV - NON RES 2006	836,699	825,206	10,999	836,205	29	824,289	494
SCHOOL DIST CAP IMPROV - NON RES 2007	904,271	891,793	11,880	903,673	23	889,871	598
SCHOOL DIST CAP IMPROV - NON RES 2008	886,931	885,303	172	885,475	161	886,747	1,456
SCHOOL DIST CAP IMPROV - NON RES 2009	962,769	956,210	2,021	958,232	2,910	964,093	4,537
SCHOOL DIST CAP IMPROV - NON RES 2010	947,910	931,674	10,989	942,663	9,351	940,081	5,247
SCHOOL DIST CAP IMPROV - NON RES 2011	994,168	961,094	22,725	983,820	38,468	981,320	10,348
SCHOOL DIST CAP IMPROV - NON RES 2012	1,000,560	-	977,164	977,164	970,798	970,798	23,396
Total	\$ 8,772,773	\$ 7,734,767	\$ 989,890	\$ 8,724,659	\$ 1,021,804	\$ 8,740,222	\$ 48,114
029 GALLUP BRANCH COLLEGE - NON RES							
GALLUP BRANCH COLLEGE - NON RES 2003	\$ 713,622	\$ 378,971	\$ 333,779	\$ 712,750	\$ -	\$ 378,889	\$ 872
GALLUP BRANCH COLLEGE - NON RES 2004	722,988	366,817	355,315	722,131	-	366,728	857
GALLUP BRANCH COLLEGE - NON RES 2005	817,296	806,390	10,284	816,675	65	806,267	621
GALLUP BRANCH COLLEGE - NON RES 2006	841,862	830,253	11,000	841,253	29	829,336	609
GALLUP BRANCH COLLEGE - NON RES 2007	909,663	897,068	11,879	908,947	23	895,145	716
GALLUP BRANCH COLLEGE - NON RES 2008	892,343	890,598	172	890,770	161	892,041	1,573
GALLUP BRANCH COLLEGE - NON RES 2009	967,943	961,266	2,021	963,287	2,910	969,149	4,656
GALLUP BRANCH COLLEGE - NON RES 2010	953,002	936,537	11,100	947,637	9,461	945,054	5,365
GALLUP BRANCH COLLEGE - NON RES 2011	998,911	965,604	22,849	988,454	38,592	985,954	10,457
GALLUP BRANCH COLLEGE - NON RES 2012	1,005,368	-	981,848	981,848	975,482	975,482	23,521
Total	\$ 8,822,998	\$ 7,033,504	\$ 1,740,247	\$ 8,773,752	\$ 1,026,723	\$ 8,044,045	\$ 49,247

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031 REOBOTH CHRISTIAN HOSPITAL - NON RES							
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2003	\$ 713,622	\$ 378,971	\$ 333,780	\$ 712,750	\$ -	\$ 378,889	\$ 872
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2004	722,988	733,633	(11,501)	722,132	-	733,456	856
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2005	817,296	806,390	10,284	816,674	66	806,268	622
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2006	841,862	830,253	11,000	841,253	28	829,335	609
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2007	909,663	897,068	11,880	908,947	23	895,145	716
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2008	892,343	890,598	172	890,770	161	892,041	1,573
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2009	967,943	961,266	2,021	963,287	2,910	969,149	4,656
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2010	953,002	936,537	11,099	947,637	9,461	945,054	5,365
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2011	998,911	965,604	22,849	988,453	38,592	985,954	10,458
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2012	1,005,368	-	981,848	981,848	975,482	975,482	23,521
Total	\$ 8,822,998	\$ 7,400,320	\$ 1,373,432	\$ 8,773,751	\$ 1,026,723	\$ 8,410,773	\$ 49,248
032 UNM GALLUP SPECIAL VOCATIONAL NON - RES							
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2003	\$ 356,811	\$ 378,971	\$ (22,595)	\$ 356,375	\$ -	\$ 378,889	\$ 436
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2004	361,494	366,817	(5,751)	361,066	-	366,728	428
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2005	408,648	403,195	5,142	408,337	33	403,134	311
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2006	420,931	415,127	5,500	420,626	14	414,668	305
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2007	454,832	448,534	5,940	454,474	12	447,573	358
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2008	446,172	445,299	86	445,385	80	446,020	787
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2009	483,972	480,633	1,011	481,644	1,455	484,574	2,328
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2010	476,501	468,269	5,550	473,818	4,731	472,528	2,683
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2011	499,455	482,802	11,424	494,227	19,296	492,977	5,228
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2012	502,684	-	490,924	490,924	487,741	487,741	11,760
Total	\$ 4,411,500	\$ 3,889,647	\$ 497,231	\$ 4,386,876	\$ 513,362	\$ 4,394,832	\$ 24,624
061 RIO SAN JOSE FLOOD CONTROL - RES							
RIO SAN JOSE FLOOD CONTROL - RES 2003	\$ 1,489	\$ 1,489	\$ -	\$ 1,489	\$ -	\$ 1,489	\$ -
RIO SAN JOSE FLOOD CONTROL - RES 2004	1,418	1,418	-	1,418	-	1,418	-
RIO SAN JOSE FLOOD CONTROL - RES 2005	1,666	1,666	-	1,666	-	1,669	-
RIO SAN JOSE FLOOD CONTROL - RES 2006	1,751	1,751	-	1,751	-	1,760	-
RIO SAN JOSE FLOOD CONTROL - RES 2007	2,052	2,052	-	2,052	-	2,087	-
RIO SAN JOSE FLOOD CONTROL - RES 2008	2,121	2,116	5	2,121	4	2,145	-
RIO SAN JOSE FLOOD CONTROL - RES 2009	2,258	2,208	3	2,211	10	2,296	47
RIO SAN JOSE FLOOD CONTROL - RES 2010	2,156	1,975	125	2,100	108	2,066	56
RIO SAN JOSE FLOOD CONTROL - RES 2011	2,117	1,843	143	1,986	165	1,960	131
RIO SAN JOSE FLOOD CONTROL - RES 2012	2,225	-	1,912	1,912	1,893	1,893	313
Total	\$ 19,253	\$ 16,518	\$ 2,188	\$ 18,706	\$ 2,180	\$ 18,783	\$ 547

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062 RIO SAN JOSE FLOOD CONTROL NON - RES							
RIO SAN JOSE FLOOD CONTROL NON - RES 2003	\$ 22,222	\$ 23,738	\$ (1,516)	\$ 22,222	\$ -	\$ 23,738	\$ -
RIO SAN JOSE FLOOD CONTROL NON - RES 2004	23,948	24,356	(409)	23,948	-	24,356	-
RIO SAN JOSE FLOOD CONTROL NON - RES 2005	23,694	23,372	321	23,693	-	23,369	1
RIO SAN JOSE FLOOD CONTROL NON - RES 2006	25,117	24,767	350	25,117	-	24,758	-
RIO SAN JOSE FLOOD CONTROL NON - RES 2007	26,508	26,134	372	26,505	-	26,106	3
RIO SAN JOSE FLOOD CONTROL NON - RES 2008	26,842	26,831	1	26,833	1	26,875	9
RIO SAN JOSE FLOOD CONTROL NON - RES 2009	23,078	23,037	26	23,062	30	23,113	16
RIO SAN JOSE FLOOD CONTROL NON - RES 2010	20,840	20,724	70	20,793	43	20,765	47
RIO SAN JOSE FLOOD CONTROL NON - RES 2011	21,817	21,525	186	21,711	222	21,703	106
RIO SAN JOSE FLOOD CONTROL NON - RES 2012	19,716	-	19,496	19,496	19,473	19,473	220
Total	\$ 233,782	\$ 214,484	\$ 18,897	\$ 233,380	\$ 19,769	\$ 234,256	\$ 402
101 STATE DEBT SERVICE							
STATE DEBT SERVICE 2003	\$ 542,353	\$ 576,035	\$ (34,345)	\$ 541,690	\$ -	\$ 577,048	\$ 663
STATE DEBT SERVICE 2004	371,616	377,087	(5,912)	371,176	-	378,135	440
STATE DEBT SERVICE 2005	504,271	497,543	6,345	503,888	-	498,669	383
STATE DEBT SERVICE 2006	543,422	535,928	7,100	543,029	-	543,016	393
STATE DEBT SERVICE 2007	555,349	547,660	7,253	554,912	-	585,993	437
STATE DEBT SERVICE 2008	557,714	556,624	107	556,731	100	600,869	983
STATE DEBT SERVICE 2009	556,567	552,728	1,162	553,890	1,673	514,315	2,677
STATE DEBT SERVICE 2010	-	-	-	-	-	-	-
STATE DEBT SERVICE 2011	-	-	-	-	-	-	-
STATE DEBT SERVICE 2012	-	-	-	-	-	-	-
Total	\$ 3,631,292	\$ 3,643,605	\$ (18,290)	\$ 3,625,316	\$ 1,773	\$ 3,698,045	\$ 5,976
103 COUNTY DEBT SERVICE							
COUNTY DEBT SERVICE 2003	\$ 43,174	\$ 45,855	\$ (2,734)	\$ 43,122	\$ -	\$ 45,846	\$ 52
COUNTY DEBT SERVICE 2004	902,651	915,941	(14,360)	901,582	-	915,720	1,069
COUNTY DEBT SERVICE 2005	480,161	473,754	6,042	479,796	-	473,644	365
COUNTY DEBT SERVICE 2006	489,543	482,792	6,396	489,189	-	482,242	354
COUNTY DEBT SERVICE 2007	481,667	474,997	6,290	481,288	-	473,967	379
COUNTY DEBT SERVICE 2008	362,738	362,028	70	362,098	65	362,614	640
COUNTY DEBT SERVICE 2009	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2010	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2011	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2012	-	-	-	-	-	-	-
Total	\$ 2,759,934	\$ 2,755,367	\$ 1,704	\$ 2,757,075	\$ 65	\$ 2,754,033	\$ 2,859

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105 GALLUP MUNICIPAL DEBT SERVICE							
GALLUP MUNICIPAL DEBT SERVICE 2003	\$ 232,921	\$ 244,695	\$ (11,971)	\$ 232,724	\$ -	\$ 244,692	\$ 197
GALLUP MUNICIPAL DEBT SERVICE 2004	250,309	253,376	(3,284)	250,092	-	253,370	217
GALLUP MUNICIPAL DEBT SERVICE 2005	289,216	285,874	3,073	288,947	-	285,866	269
GALLUP MUNICIPAL DEBT SERVICE 2006	186,890	184,651	2,099	186,751	-	184,281	139
GALLUP MUNICIPAL DEBT SERVICE 2007	339,021	334,903	3,789	338,692	-	333,616	329
GALLUP MUNICIPAL DEBT SERVICE 2008	342,624	341,363	75	341,438	67	342,369	1,186
GALLUP MUNICIPAL DEBT SERVICE 2009	339,099	333,400	1,611	335,012	2,404	339,608	4,087
GALLUP MUNICIPAL DEBT SERVICE 2010	337,622	323,039	10,421	333,460	8,889	331,109	4,162
GALLUP MUNICIPAL DEBT SERVICE 2011	212,353	195,888	11,437	207,325	12,071	205,760	5,028
GALLUP MUNICIPAL DEBT SERVICE 2012	255,532	-	242,484	242,484	237,679	237,679	13,048
Total	\$ 2,785,587	\$ 2,497,189	\$ 259,734	\$ 2,756,925	\$ 261,110	\$ 2,758,350	\$ 28,662
107 SCHOOL DISTRICT DEBT SERVICE							
SCHOOL DISTRICT DEBT SERVICE 2003	\$ 2,847,927	\$ 3,025,391	\$ (180,580)	\$ 2,844,810	\$ -	\$ 3,024,735	\$ 3,117
SCHOOL DISTRICT DEBT SERVICE 2004	2,894,898	2,937,836	(45,988)	2,891,848	-	2,937,123	3,050
SCHOOL DISTRICT DEBT SERVICE 2005	3,295,381	3,251,517	41,810	3,293,327	-	3,250,752	2,054
SCHOOL DISTRICT DEBT SERVICE 2006	3,392,815	3,346,209	44,604	3,390,813	-	3,342,374	2,002
SCHOOL DISTRICT DEBT SERVICE 2007	3,668,177	3,617,558	48,191	3,665,749	-	3,609,667	2,428
SCHOOL DISTRICT DEBT SERVICE 2008	3,703,378	3,696,584	718	3,697,302	670	3,702,607	6,076
SCHOOL DISTRICT DEBT SERVICE 2009	4,021,968	3,994,568	8,444	4,003,012	12,156	4,027,499	18,956
SCHOOL DISTRICT DEBT SERVICE 2010	3,966,529	3,898,590	45,981	3,944,571	39,128	3,933,769	21,958
SCHOOL DISTRICT DEBT SERVICE 2011	4,153,137	4,014,972	94,933	4,109,905	160,700	4,099,466	43,232
SCHOOL DISTRICT DEBT SERVICE 2012	4,176,836	-	4,079,170	4,079,170	4,052,597	4,052,597	97,666
Total	\$ 36,121,046	\$ 31,783,225	\$ 4,137,283	\$ 35,920,507	\$ 4,265,251	\$ 35,980,589	\$ 200,539
110 GALLUP BRANCH DEBT SERVICE							
GALLUP BRANCH DEBT SERVICE 2003	\$ 713,622	\$ 757,941	\$ (45,191)	\$ 712,750	\$ -	\$ 757,778	\$ 872
GALLUP BRANCH DEBT SERVICE 2004	722,988	733,633	(11,501)	722,132	-	733,456	856
GALLUP BRANCH DEBT SERVICE 2005	1,225,943	1,209,586	15,426	1,225,011	-	1,209,303	932
GALLUP BRANCH DEBT SERVICE 2006	841,862	830,253	11,000	841,253	-	829,307	609
GALLUP BRANCH DEBT SERVICE 2007	909,663	897,068	11,880	908,947	-	895,122	716
GALLUP BRANCH DEBT SERVICE 2008	892,343	890,598	172	890,770	161	892,041	1,573
GALLUP BRANCH DEBT SERVICE 2009	1,209,929	1,201,583	2,526	1,204,109	3,637	1,211,437	5,820
GALLUP BRANCH DEBT SERVICE 2010	1,191,253	1,170,672	13,874	1,184,546	11,827	1,181,319	6,707
GALLUP BRANCH DEBT SERVICE 2011	1,248,639	1,207,006	28,561	1,235,567	48,240	1,232,443	13,072
GALLUP BRANCH DEBT SERVICE 2012	1,673,939	-	1,634,776	1,634,776	1,624,177	1,624,177	39,163
Total	\$ 10,630,181	\$ 8,898,340	\$ 1,661,523	\$ 10,559,861	\$ 1,688,042	\$ 10,566,383	\$ 70,320

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STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2013

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
113 ZUNI SCHOOL DISTRICT OPER NON-RES							
ZUNI SCHOOL DISTRICT OPER NON - RES 2003	\$ 870	\$ 1,222	\$ (370)	\$ 853	\$ -	\$ 1,222	\$ 17
ZUNI SCHOOL DISTRICT OPER NON - RES 2004	1,118	1,115	(22)	1,094	-	1,115	24
ZUNI SCHOOL DISTRICT OPER NON - RES 2005	1,306	1,200	78	1,278	-	1,200	28
ZUNI SCHOOL DISTRICT OPER NON - RES 2006	1,291	1,262	-	1,262	-	1,262	29
ZUNI SCHOOL DISTRICT OPER NON - RES 2007	1,348	1,319	-	1,318	-	1,319	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2008	1,353	1,324	-	1,323	-	1,323	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2009	1,293	1,264	-	1,264	-	1,264	29
ZUNI SCHOOL DISTRICT OPER NON - RES 2010	1,273	1,216	28	1,243	28	1,244	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2011	1,186	1,127	32	1,159	31	1,158	27
ZUNI SCHOOL DISTRICT OPER NON - RES 2012	1,202	-	1,171	1,171	1,171	1,171	31
Total	\$ 12,240	\$ 11,049	\$ 917	\$ 11,965	\$ 1,230	\$ 12,278	\$ 275
114 ZUNI SCHOOL DISTRICT DEBT SERV NON-RES							
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2003	\$ 2,482	\$ 2,559	\$ (127)	\$ 2,432	\$ -	\$ 2,559	\$ 50
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2004	6,725	6,707	(131)	6,576	-	6,707	149
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2005	7,057	6,927	(26)	6,901	-	6,927	156
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2006	7,575	7,405	-	7,405	-	7,405	170
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2007	8,223	8,044	-	8,044	-	8,044	179
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2008	7,445	7,283	-	7,283	-	7,282	162
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2009	12,878	12,584	-	12,584	-	12,584	294
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2010	14,724	14,063	320	14,383	320	14,383	341
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2011	8,336	7,926	218	8,144	218	8,144	192
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2012	10,899	-	10,616	10,616	10,616	10,616	283
Total	\$ 77,137	\$ 73,498	\$ 10,870	\$ 84,368	\$ 11,154	\$ 84,651	\$ 1,976
115 ZUNI SCHOOL DIST CAP IMPROV NON-RES							
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2003	\$ 4,742	\$ 4,888	\$ (243)	\$ 4,646	\$ -	\$ 4,888	\$ 96
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2004	4,473	4,461	(87)	4,373	-	4,461	100
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2005	5,225	4,809	301	5,110	-	4,809	115
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2006	5,163	5,047	-	5,047	-	5,047	116
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2007	5,392	5,275	-	5,275	-	5,275	117
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2008	5,413	5,295	-	5,295	-	5,294	118
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2009	5,174	5,056	-	5,056	-	5,056	118
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2010	5,092	4,863	111	4,974	111	4,974	118
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2011	4,743	4,510	124	4,634	124	4,634	109
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2012	4,808	-	4,684	4,684	4,684	4,684	124
Total	\$ 50,225	\$ 44,204	\$ 4,890	\$ 49,094	\$ 4,919	\$ 49,122	\$ 1,131

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STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2013

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
119 ZUNI SCHOOL DIST EDUC TECH NON-RES							
ZUNI SCHOOL DIST EDUC TECH NON - RES 2003	\$ 32,539	\$ 33,543	\$ (1,664)	\$ 31,879	\$ -	\$ 33,543	\$ 660
ZUNI SCHOOL DIST EDUC TECH NON - RES 2004	52,036	51,896	(1,015)	50,881	-	51,896	1,155
ZUNI SCHOOL DIST EDUC TECH NON - RES 2005	38,098	37,398	(139)	37,259	-	37,398	839
ZUNI SCHOOL DIST EDUC TECH NON - RES 2006	-	-	-	-	-	35,748	-
ZUNI SCHOOL DIST EDUC TECH NON - RES 2007	36,543	35,748	-	35,748	-	23,027	795
ZUNI SCHOOL DIST EDUC TECH NON - RES 2008	24,000	23,476	-	23,477	-	22,149	523
ZUNI SCHOOL DIST EDUC TECH NON - RES 2009	23,166	22,638	-	22,637	-	938	529
ZUNI SCHOOL DIST EDUC TECH NON - RES 2010	23,094	22,058	502	22,560	502	22,560	534
ZUNI SCHOOL DIST EDUC TECH NON - RES 2011	57,214	54,402	1,496	55,898	1,497	55,899	1,316
ZUNI SCHOOL DIST EDUC TECH NON - RES 2012	-	-	-	-	-	-	-
Total	\$ 286,690	\$ 281,159	\$ (820)	\$ 280,339	\$ 1,999	\$ 283,158	\$ 6,351
951 CATTLE INDEMNITY							
CATTLE INDEMNITY 2003	\$ 10,983	\$ 10,947	\$ -	\$ 10,947	\$ -	\$ 10,947	\$ 36
CATTLE INDEMNITY 2004	11,455	11,454	-	11,454	-	11,454	1
CATTLE INDEMNITY 2005	13,747	13,659	-	13,659	-	13,659	88
CATTLE INDEMNITY 2006	18,691	18,507	-	18,507	-	18,507	184
CATTLE INDEMNITY 2007	18,959	18,865	-	18,865	-	18,865	94
CATTLE INDEMNITY 2008	12,479	12,362	18	12,381	18	12,381	98
CATTLE INDEMNITY 2009	13,328	13,113	105	13,218	105	13,237	110
CATTLE INDEMNITY 2010	13,495	13,238	162	13,400	162	13,400	95
CATTLE INDEMNITY 2011	15,328	9,913	5,297	15,210	5,352	15,209	118
CATTLE INDEMNITY 2012	17,980	-	17,401	17,401	16,439	16,439	579
Total	\$ 146,445	\$ 122,058	\$ 22,983	\$ 145,042	\$ 22,076	\$ 144,098	\$ 1,403
952 SHEEP							
SHEEP 2003	\$ 216	\$ 216	\$ -	\$ 216	\$ -	\$ 216	\$ -
SHEEP 2004	247	247	-	247	-	247	-
SHEEP 2005	282	282	-	282	-	282	-
SHEEP 2006	176	176	-	176	-	176	-
SHEEP 2007	145	145	-	145	-	145	-
SHEEP 2008	145	144	-	144	-	144	1
SHEEP 2009	94	93	-	93	-	93	1
SHEEP 2010	94	93	-	93	-	93	1
SHEEP 2011	155	140	12	152	12	152	3
SHEEP 2012	180	-	177	177	159	159	3
Total	\$ 1,734	\$ 1,536	\$ 189	\$ 1,725	\$ 171	\$ 1,707	\$ 9

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STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2013

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
953 GOATS							
GOATS 2003	\$ 30	\$ 30	\$ -	\$ 30	\$ -	\$ 30	\$ -
GOATS 2004	28	28	-	28	-	28	-
GOATS 2005	32	32	-	32	-	32	-
GOATS 2006	16	16	-	16	-	16	-
GOATS 2007	19	19	-	19	-	19	-
GOATS 2008	59	59	-	59	-	59	-
GOATS 2009	17	16	-	16	-	16	1
GOATS 2010	20	20	-	20	-	19	-
GOATS 2011	25	19	4	23	8	24	2
GOATS 2012	84	-	81	81	72	72	3
Total	\$ 330	\$ 239	\$ 85	\$ 324	\$ 80	\$ 315	\$ 6
955 HOGS							
HOGS 2003	\$ 1	\$ 1	\$ -	\$ 1	\$ -	\$ 1	\$ 1
HOGS 2004	-	-	-	-	-	-	-
HOGS 2005	-	-	-	-	-	-	-
HOGS 2006	-	-	-	-	-	-	-
HOGS 2007	-	-	-	-	-	-	-
HOGS 2008	2	2	-	2	-	2	-
HOGS 2009	-	-	-	-	-	-	-
HOGS 2010	1	-	-	-	-	-	1
HOGS 2011	-	-	-	-	-	-	-
HOGS 2012	1	-	1	1	1	1	-
Total	\$ 5	\$ 3	\$ 1	\$ 4	\$ 1	\$ 4	\$ 2
956 DAIRY							
DAIRY 2003	\$ 21	\$ 21	\$ -	\$ 21	\$ -	\$ 677	\$ -
DAIRY 2004	26	26	-	26	-	808	-
DAIRY 2005	21	21	-	21	-	923	-
DAIRY 2006	14	14	-	14	-	927	-
DAIRY 2007	8	8	-	8	-	769	-
DAIRY 2008	-	-	-	-	-	-	-
DAIRY 2009	-	-	-	-	-	-	-
DAIRY 2010	11	-	-	-	-	-	11
DAIRY 2011	12	2	-	2	-	2	10
DAIRY 2012	3	-	3	3	3	3	-
Total	\$ 116	\$ 92	\$ 3	\$ 95	\$ 3	\$ 4,109	\$ 21

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STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2013

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
957 BISON							
BISON 2003	\$ 34	\$ 34	\$ -	\$ 34	\$ -	\$ 34	\$ -
BISON 2004	40	40	-	40	-	40	-
BISON 2005	-	-	-	-	-	-	-
BISON 2006	-	-	-	-	-	-	-
BISON 2007	-	-	-	-	-	-	-
BISON 2008	-	-	-	-	-	-	-
BISON 2009	-	-	-	-	-	-	-
BISON 2010	-	-	-	-	-	-	-
BISON 2011	-	-	-	-	-	-	-
BISON 2012	-	-	-	-	-	-	-
Total	\$ 74	\$ 74	\$ -	\$ 74	\$ -	\$ 74	\$ -
980 DCLPEN							
DCLPEN 2003	\$ 751	\$ 535	\$ -	\$ 535	\$ -	\$ 535	\$ 216
DCLPEN 2004	907	677	-	677	-	677	230
DCLPEN 2005	213	213	-	213	-	213	-
DCLPEN 2006	2,992	2,992	-	2,992	-	2,992	-
DCLPEN 2007	351	351	-	351	-	351	-
DCLPEN 2008	42	42	-	42	-	42	-
DCLPEN 2009	-	-	-	-	-	-	-
DCLPEN 2010	-	-	-	-	-	-	-
DCLPEN 2011	-	-	-	-	-	-	-
DCLPEN 2012	-	-	-	-	-	-	-
Total	\$ 5,256	\$ 4,810	\$ -	\$ 4,810	\$ -	\$ 4,810	\$ 446
990 TREASURER ADMIN FEE							
TREASURER ADMIN FEE 2003	\$ 442	\$ 440	\$ -	\$ 440	\$ -	\$ 440	\$ 2
TREASURER ADMIN FEE 2004	381	374	-	374	-	374	6
TREASURER ADMIN FEE 2005	515	513	-	513	-	513	2
TREASURER ADMIN FEE 2006	390	390	-	390	-	390	-
TREASURER ADMIN FEE 2007	347	340	-	340	-	343	7
TREASURER ADMIN FEE 2008	407	357	-	357	-	357	50
TREASURER ADMIN FEE 2009	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2010	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2011	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2012	-	-	-	-	-	-	-
Total	\$ 2,482	\$ 2,414	\$ -	\$ 2,414	\$ -	\$ 2,417	\$ 67

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STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2013

Assessor Special Assessment

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
954 HORSES, MULES, & ASSES							
HORSES, MULES & ASSES 2009	\$ 376	\$ 351	\$ 13	\$ 364	\$ 13	\$ 369	\$ 12
HORSES, MULES & ASSES 2010	401	381	15	396	28	391	5
HORSES, MULES & ASSES 2011	443	384	43	427	57	425	16
HORSES, MULES & ASSES 2012	467	-	388	388	386	386	79
Total	\$ 1,687	\$ 1,116	\$ 459	\$ 1,575	\$ 484	\$ 1,571	\$ 112
958 ALPACA & LLAMA							
ALPACA & LLAMA 2010	\$ 7	\$ 3	\$ -	\$ 3	\$ -	\$ 3	\$ 2
ALPACA & LLAMA 2011	3	1	2	3	2	5	-
ALPACA & LLAMA 2012	5	-	5	5	5	5	-
Total	\$ 15	\$ 4	\$ 7	\$ 11	\$ 7	\$ 13	\$ 2

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STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2013

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
GRAND TOTALS	\$ 225,014,520	\$ 196,850,161	\$ 26,278,884	\$ 223,129,047	\$ 26,372,078	\$ 223,040,237	\$ 1,894,770
2003	\$ 17,382,200	\$ 17,366,035	\$ 794	\$ 17,366,829	\$ 830	\$ 17,367,631	\$ 15,372
2004	\$ 18,893,279	18,875,087	1,133	18,876,221	1,371	18,876,745	17,057
2005	21,210,027	21,194,906	1,508	21,196,414	1,849	21,198,804	13,614
2006	21,061,432	21,047,149	2,422	21,049,573	2,468	21,090,358	11,861
2007	22,933,761	22,909,260	4,872	22,914,129	5,865	22,978,091	19,632
2008	23,191,319	23,136,991	14,527	23,151,521	15,369	23,243,267	39,801
2009	24,539,584	24,314,235	95,217	24,409,452	139,021	24,572,109	130,132
2010	24,657,111	24,069,983	397,772	24,467,752	338,969	24,365,567	189,357
2011	25,119,263	23,936,515	753,831	24,690,348	1,123,527	24,604,856	428,915
2012	26,035,835	-	25,006,808	25,006,808	24,742,809	24,742,809	1,029,029
	<u>\$ 225,023,811</u>	<u>\$ 196,850,161</u>	<u>\$ 26,278,884</u>	<u>\$ 223,129,047</u>	<u>\$ 26,372,078</u>	<u>\$ 223,040,237</u>	<u>\$ 1,894,770</u>

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STATE OF NEW MEXICO
 McKinley County
 Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2013

Schedule V

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<i>Assets</i>				
Cash	\$ 1,229,937	\$ 9,114	\$ 536,335	\$ 702,716
Investments	2,935	-	2,935	-
Property taxes receivable	1,610,382	26,035,835	26,224,954	1,421,263
Accounts receivable	3,017	-	3,017	-
<i>Total assets</i>	<u>\$ 2,846,271</u>	<u>\$ 26,044,949</u>	<u>\$ 26,767,241</u>	<u>\$ 2,123,979</u>
 <i>Liabilities</i>				
Accounts payable	\$ 892	\$ 1,810	\$ 892	\$ 1,810
Due to other taxing entities	1,610,382	-	189,119	1,421,263
Deposits held in trust	1,234,997	9,114	539,270	700,906
<i>Total liabilities</i>	<u>\$ 2,846,271</u>	<u>\$ 10,924</u>	<u>\$ 729,281</u>	<u>\$ 2,123,979</u>

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COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
The McKinley County Commissioners
McKinley County
Gallup, New Mexico

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue fund of McKinley County (the "County") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual fund and related budgetary comparisons of the County, presented as supplemental information, and have issued our report thereon dated November 1, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 11-01, FS 12-03, FS 12-05, and FS 12-06 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 11-03, FS 12-03, FS 12-05, FS 12-06, FS 12-11, and FS 2013-001.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting + Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 1, 2013

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP
Certified Public Accountants

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The Office of Management and Budget
The McKinley County Commissioners
McKinley County
Gallup, New Mexico

Report on Compliance for Each Major Federal Program

We have audited McKinley County's (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 1, 2013

STATE OF NEW MEXICO
 McKinley County
 Schedule of Expenditures of Federal Awards
 For the year ended June 30, 2013

Federal Grantor/Passthrough Grantor/Program Title	Grant Number	Federal C.F.D.A. Number	Federal Expenditures
U.S. Department of Agriculture			
Schools and Roads- Grants to Counties	-	10.666	* \$ 307,745
Total U.S. Department of Agriculture			<u>307,745</u>
U.S. Department of Health & Human Services			
2013 Partnership for Success II Grant	-		20,685
Total U.S. Department of Health & Human Services			<u>20,685</u>
U.S. Department of Justice			
2012 JAG	2012-DJ-BX-1001	16.738	15,793
Total U.S. Department of Justice			<u>15,793</u>
U.S. Department of Transportation			
Regional DWI Task Force	13-AL-64-P04	20.608	(1) 95,906
Full Time Law Enforcement DWI Officers	13-AL-062F64-P01	20.608	(1) 125,842
Operation DWI	13-AL-K8-062	20.601	17,505
2009 LJ90 Federal Highway Admin (FWHA)	6100440	20.205	* 387,203
Total U.S. Department of Transportation			<u>626,456</u>
U.S. Department of Interior			
2011 Rural Water Supply	R11AP40080	15.506	51,996
Total U.S. Department of Interior			<u>51,996</u>
Department of Homeland Security			
2010 State Homeland Security Grant Program	2010-SS-TO-011-McKinley	97.067	(2) 104,087
2011 SHSGP Competitive	2011-SS-00094-S01	97.067	(2) 78,580
2011 State Homeland Security Grant Program	2011-SS-00094-S01	97.067	(2) 13,536
2012 State Homeland Security Grant Program	EMW-2012-SS-00097-S01-McKinley County	97.067	(2) 37,613
EMPG	EMW-2011-EP-00051-McKinley County	97.042	69,247
2012 Mitigation Plan Update	PDMC-PL-06-NM-2012-002-McKinley County	97.047	1,922
Public Assistance Grant	FEMA 1936-DR-NM FEMA-1936-006	97.036	35,250
Total Department of Homeland Security			<u>340,235</u>
Total Federal Financial Assistance			<u>\$ 1,362,910</u>

* Major program
 () Cluster

See independent auditors' report
 See accompanying notes to schedule of expenditures of federal awards

Notes to Schedule of Expenditures of Federal AwardsBasis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of McKinley County, New Mexico (County) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Subrecipients

The County did not provide any federal awards to subrecipients during the year.

Non-Cash Federal Assistance

The County did not receive any non-cash federal assistance during the year.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,362,910
Total expenditures funded by other sources	<u>43,636,382</u>
Total expenditures	<u><u>\$ 44,999,292</u></u>

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STATE OF NEW MEXICO
 McKinley County
 Schedule of Findings and Questioned Costs
 June 30, 2013

Section I – Summary or Audit Results:

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 1. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| c. Noncompliance material to the financial statements noted? | Yes |

Federal Awards:

- | | |
|---|------------|
| 1. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? | No |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
10.666	Schools and Roads- Grants to Counties
20.205	2009 LJ90 Federal Highway Admin (FWHA)

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

Section II – Financial Statement Findings

FS 11-01 — Deficiencies in Design over Internal Controls – Material Weakness (Repeat/Modified)

Condition: The County’s internal control structure is inadequate. The County does not have a comprehensive documented internal control system over financial information. The County does not maintain proper oversight or monitoring in regards to the County’s accounting activities. The County has not taken the proper counter measures to monitor and mitigate the risk for fraud, misappropriation of assets, or misstatement of financial statements. During our audit, we noted the following internal control deficiencies:

- Lack of proper “Tone from the top” regarding County policies due to management override.
- The County does not have proper internal controls in place to ensure up to date landfill closure cost liabilities.
- The County did not properly certify the capital asset inventory at year end June 30, 2013.

Criteria: NMAC 6.20.2.11 states:

A. Every County shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

B. Each County shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

(1) County management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the County.

(2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with County authorization.

(3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.

(4) The County shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.

(5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, Counties shall establish any other criteria applicable to such statements to maintain accountability for assets.

(6) Counties shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

C. An internal control structure is required to demonstrate the County’s ability to record, process, summarize and report financial data consistent with the following financial statement assertions:

- (1) rights and ownership;
- (2) existence and occurrence;
- (3) valuation and allocations;
- (4) completeness; and,
- (5) presentation and disclosure.

Section II – Financial Statement Findings (continued)

FS 11-01 — Deficiencies in Design over Internal Controls (continued) – Material Weakness (Repeat/Modified)

D. The internal control structure shall demonstrate that the County identifies applicable laws and regulations, and that procedures are designed to provide reasonable assurance that the County complies with those laws and regulations. Internal control procedures shall be established, implemented and documented through County correspondence, manuals, training, and other additional methods. Appropriate internal control procedures shall be adopted by the local board within a County to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all County transactions.

The SAS No. 115 Appendix lists the following circumstances as possible control deficiency, significant deficiency, or material weakness, “inadequate documentation of the components of internal control.” SAS 115 paragraph 19 states that ineffective oversight of the agency’s financial reporting and internal control by those charged with governance should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

Effect: Because certain internal controls have weaknesses in design, key controls are not in place to properly safeguard assets and prevent or detect misstatements within the areas above.

Cause: The County has not performed a recent risk assessment for those key controls in place to prevent and detect errors or fraud.

Auditors’ Recommendations: The County should ensure that a comprehensive internal control structure over financial information is designed, documented, and implemented. Management should follow and ensure that all staff follows the County’s documented internal control procedures. The County Commission is charged with governance and should provide effective oversight of the internal control and financial reporting process.

Management Response: Upper Management and the County Commission, as policy makers, have hired a consultant to update McKinley County's policies and procedures, of which this process is approximately 75% complete. Once updated, upper management plan to have several different training sessions for elected officials and department heads to ensure compliance with the policies. McKinley County has a cash reserve of \$1,000,000 for Landfill closure costs. The appropriate tests are being performed on an annual basis by the NWNMSWA. A formal report, in the future, will be provided to McKinley County, which will assess future liability. McKinley County will perform a yearly certification of inventory to assure proper accountability. In addition, the Board of Commissions will approve the certification by their appointed representative employee.

Section II – Financial Statement Findings (continued)

FS 11-03 — Travel and Per Diem - Other Matters (Repeat/Modified)

Condition: During testwork we noted the following conditions:

- 2 out of 10 transactions tested for travel and per diem, the County did not have proper signatures by management on the request for travel slip before the travel was taken.
- 1 out of 10 transactions related to travel and per diem, the County paid \$149 for hotel rooms with no additional approval which exceeds the \$85 limit for in state travel.
- 5 out of 5 transactions related to travel and per diem, the County paid for private use of vehicles when there was a County vehicle available. County policy is to use County vehicles when available.

Criteria: NMAC 6.20.2.19 requires the County to comply with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-4, for all per diem and reimbursement rates.

Effect: The risk that the County can overpay monies for reimbursements using public funds is heightened.

Cause: The County's management had an oversight and missed these during the normal internal control process over travel expenditures.

Auditors' Recommendation: We recommend the County follow the Per Diem and Mileage Act when paying per diem and travel reimbursements.

Management Response: McKinley County's Board of Commissioners have approved the modification of the travel and per diem policy and upper management and appropriate staff are charged with the proper compliance of this policy.

Section II – Financial Statement Findings (continued)

FS 12-03 Insufficient Internal Controls over Procurement - Bids- Material Weakness/ Noncompliance

Condition: In 4 out of the 5 purchases tested for related party transactions totaling \$40,614, the County is not properly applying the State Procurement Code and is purchasing goods incorrectly under an existing contract that are not part of the contract and which are in excess of the statutory amount allowed as “small purchases” in the Procurement Code.

Criteria: Section 13-1-125, NMSA 1978 states that “A central purchasing office shall procure services, construction or items of tangible personal property having a value not exceeding twenty thousand dollars (\$20,000) in accordance with applicable small purchase regulations adopted by ...a local public body....” The McKinley County Purchasing Policy states in 2.7.4 that purchases between \$5,000 and \$9,999 will be made when at least three (3) written quotes are obtained and states in section 2.7.5 that purchases exceeding \$10,000 require formal bid procedures as stated in Chapter 13, NMSA 1978.

Effect: Not properly purchasing goods and services from a vendor is a violation of State statutes and County Policy and could lead to potential litigation and State sanctions.

Cause: The County Purchasing Department is not following the rules promulgated in the New Mexico Procurement Code and the County Purchasing Policy due to a lack of knowledge of the statutes and rules.

Auditors’ Recommendations: The County should implement policies pertaining to the application of the New Mexico Procurement Code, Regulations and County Policy pertaining to purchasing. In addition, the procurement staff should be provided with formal training related to the New Mexico Procurement Code, the applicable regulations and the County Purchasing Policy.

Management Response: Upper Management and the County Commission, as policy makers, have hired a consultant to update McKinley County's procurement policies and procedures to be in compliance with State Procurement policies, of which this process is approximately 75% complete. In addition, McKinley County is updating the personnel policies to include a section that will address related party transactions. Once updated, upper management plan to have several different training sessions for elected officials and department heads to ensure compliance with the policies. Procurement staff has been attending formal training for procurement and is in the process of becoming certified.

Section II – Financial Statement Findings (continued)

FS 12-05 Insufficient Internal Controls over Procurement - Lack of Proper Oversight- Material Weakness/ Noncompliance

Condition: The County does not maintain proper oversight or monitoring with regard to the County’s procurement activities. The County does not have procedures in place to monitor and mitigate the risk for fraud, misappropriation of assets and the misstatement of financial statements and reports.

During our procedures, we noted the following internal control deficiencies:

1. Insufficient controls over the purchases of goods and services. 3 out of 5 purchases tested did not have bid documentation on file.
2. Insufficient controls over the application and execution of the Procurement Code and the related New Mexico Administrative Code pertaining to the purchase of goods and services.
3. Lack of proper “Tone from the Top” regarding County purchasing policies and state law and regulations related to the procurement of goods and services.

Criteria: NMAC 6.20.2.11 states:

- A. Every County shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications, including computer systems) that are in accordance with GAAP.
- B. Each County shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.
 - (1) County management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the County.
 - (2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with County authorization.
 - (3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.
 - (4) The County shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.
 - (5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, Counties shall establish any other criteria applicable to such statements to maintain accountability for assets.
 - (6) Counties shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.
- C. An internal control structure is required to demonstrate the County’s ability to record, process, summarize and report financial data consistent with the following financial statement assertions:
 - (1) Rights and ownership;
 - (2) Existence and occurrence;
 - (3) Valuation and allocations;
 - (4) Completeness; and,
 - (5) Presentation and disclosure.

Section II – Financial Statement Findings (continued)

FS 12-05 Insufficient Internal Controls over Procurement - Lack of Proper Oversight - Material Weakness/ Noncompliance (continued)

D. The internal control structure shall demonstrate that the County identifies applicable laws and regulations, and that procedures are designed to provide reasonable assurance that the County complies with those laws and regulations. Internal control procedures shall be established, implemented and documented through County correspondence, manuals, training, and other additional methods. Appropriate internal control procedures shall be adopted by the local board within a County to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all County transactions.

Effect: Because certain internal controls have weaknesses in design, key controls are not in place to properly safeguard assets and prevent or detect misstatements within the areas mentioned above.

Cause: The County has not taken steps to ensure that key controls in place to prevent and detect errors or fraud are not overridden by management or those in charge of governance.

Auditors' Recommendations: The County should consider the following:

- Enact and implement policies and procedures pertaining to related party transactions and conflicts of interest.
- Form an audit committee that includes outside financial experts.
- Engage an independent consultant to assist with governance issues, duties and responsibilities.
- Conduct formal training for the Commission and the management team regarding organizational and application internal controls. The training should emphasize a basic understanding of the responsibility of each party as it relates to internal control.
- Conduct formal training for the management team and staff pertaining to the application of the Purchasing Policy and State of New Mexico procurement laws and regulations.
- Evaluate and hold employees accountable for the execution and implementation of the County Purchasing Policy and State procurement laws and regulations.
- Conduct formal training on fraud for all employees and Elected Officials, including Commissioners.
- Establish a whistleblower policy that is consistent with State law and conduct formal training for all employees.
- Establish a formal monitoring policy regarding high risk areas in internal control.

Management Response: Upper Management and the County Commission, as policy makers, have hired a consultant to update McKinley County's procurement policies and procedures to be in compliance with State Procurement policies, of which this process is 75% complete. In addition, McKinley County is updating the personnel policies to include a section that will address related party transactions. Once updated, upper management plan to have several different training sessions for elected officials and department heads to ensure compliance with the policies. Procurement staff has been attending formal training for procurement and is in the process of becoming certified.

Section II – Financial Statement Findings (continued)

FS 12-06 Insufficient Internal Controls over Procurement - Lack of Proper Procurement Policies and Conflict of Interest - Material Weakness/ Noncompliance

Condition: The County does not have updated and accurate procurement and conflict of interest policies as follows:

- The County’s Purchasing Policy Section 2.7.5 “Purchases exceeding \$10,000” and Section 2.10 “Procurement of professional services” are not updated to current guidelines, and are not clearly written to identify which types of procurement are applicable under each policy.
- The County does not have a formal conflict of interest policy and the sections in the County’s employee manual that relate to conflicts of interest do not include all requirements of the Governmental Conduct Act related to conflicts of interest and prohibited acts by officials.

Criteria: County Procurement Policy Section 2.7.5 of the County’s procurement regulations states all purchases exceeding \$10,000 should require formal bid procedures and legal advertisement as stated in Chapter 13, New Mexico State Statutes.

County Procurement Policy Section 2.10 Procurement of Professional Services states that “All professional services having a value not exceeding thirty thousand dollars (\$30,000) will be procured at the best-negotiated price excluding applicable state and local gross receipts taxes. This section excludes services of architects, archeologists, engineers, landscape architects, medical arts practitioners, scientists, management and systems analysts, certified public accountants, registered public accountants, lawyers, psychologists, planners, researchers, construction managers, engineers or surveyors which must be procured by procurement regulations promulgated by the Department of Finance and Administration, General Services Department, or central purchasing office. Ref: Section 13-1-76 & 13-1-125, NMSA 1978”

Section 10-16-3 NMSA 1978 states that “Full disclosure of real or potential conflicts of interest shall be a guiding principle for determining appropriate conduct. At all times, reasonable efforts shall be made to avoid undue influence and abuse of office of public services”.

Section 10-16-4 NMSA 1978 states that “A public officer or employee shall be disqualified from engaging in any official act directly affecting the public officer’s or employee’s financial interest.

Effect: Having ambiguous or unclear procurement and conflict of interest policies heightens the risk of noncompliance with State Statutes and the risk of management override and abuse. The County and/or one of its commissioners may have violated both the procurement policies and the Government Conduct Act.

Cause: The County has not reviewed their policies to ensure procurement policies are clearly defined, understandable, and do not conflict with other polices. Also, the County has not updated their procurement and conflict of interest policies to ensure compliance and conformity with State Statutes.

Auditors’ Recommendations: The County should update their policies to coincide with State Statutes and the Governmental Conduct Act, and ensure that policies are clearly defined, understandable, and complete.

Management Response: Upper Management and the County Commission, as policy makers, have hired a consultant to update McKinley County’s procurement policies and procedures to be in compliance with State Procurement policies, of which this process is 75% complete. In addition, McKinley County is updating the personnel policies to include a section that will address related party transactions. Once updated, upper management plan to have several different training sessions for elected officials and department heads to ensure compliance with the policies. Procurement staff has been attending formal training for procurement and is in the process of becoming certified.

Section II – Financial Statement Findings (continued)

FS 12-11 Violations of Open Meetings Act - Noncompliance

Condition: The County is not properly recording how the Commissioners vote on action items during open meetings.

Criteria: Section 10-15-1G, NMSA 1978, states that "...The minutes shall include at a minimum the date, time and place of the meeting, the names of the members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken that show how each member voted..."

Effect: Not properly recording how each commissioner votes could result in County Commission actions, such as contracts, bid awards and disbursement approvals, being challenged and possibly overturned for noncompliance with the aforementioned statute.

Cause: The County has not instituted and implemented proper internal policies related to how the Commission meetings are to be recorded.

Auditors' Recommendations: The County should implement policies pertaining to the recording of open meetings held by the Commission. Each commissioner's vote should be chronicled in accordance with the New Mexico Statutes. In addition, the approved minutes should be signed by the Chairman of the County Commission or his/her designee and attested to by the County Clerk or his/her designee.

Management Response: McKinley County is working closely with the Clerk's office to ensure proper recording of the Commissioners votes. This finding has been corrected and is an overlap from last year.

Section II – Financial Statement Findings (continued)

FS 2013-001 Expenditures in Excess of Budget and Budgeted Cash in Excess of Available Balance (Noncompliance)

Condition: The County exceeded budgeted expenditures in the following funds:

<u>Governmental Funds</u>	
General Revenue/Gross Receipts Tax Bonds/Notes	\$ 360,000
Courthouse Project	232,813
	\$ 592,813

When the County’s budgeted expenditures exceed its budgeted revenue, the County budgets “designated cash” left over from the previous year to make up the short fall. However, “designated cash” in the current year budget cannot exceed prior year cash and receivables in the same fund.

Designated cash appropriations exceeded available balances in the following funds:

<u>Governmental Funds</u>	
Law Enforcement Protection	\$ 40
JSAAC Center	84,254
Judicial Complex Construction	1,315
	\$ 85,609

Criteria: All County funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the State of New Mexico Department of Finance and Administration – Local Government Division for approval. Once adopted, any claims or warrants in excess of budget are a violation of New Mexico State Statute 6-6-6, 1978 Compilation. Per Section 6-6-11, NMSA 1978 (the Batemen Act), it is unlawful for any board of county commissioners, municipal governing body or any local school board, for any purpose whatever to become indebted or contract any debts of any kind or nature whatsoever during any current year which, at the end of such current year, is not and cannot then be paid out of the money actually collected and belonging to that current year, and any indebtedness for any current year which is not paid and cannot be paid, as above provided for, is void. In addition, Section 2.2.2.10. (P) (1), NMAC, states that the County’s cash balances rebudgeted to absorb budget deficits cannot exceed the actual cash balance available at the end of the prior year.

Effect: Any expenditure in excess of the approved budget(s) shall be a liability against the officials so allowing or paying such claims or warrants, and recovery of such excess amounts so allowed or paid may be had against the bondsmen of such official. The effect of a budget with inadequate designated cash available to cover the excess of budgeted expenditures over budgeted revenue could result in the County incurring debt to pay for current year budgeted expenditures, which would be noncompliance with the Batemen Act.

Cause: The County has inadequate monitoring of budgeting procedures at year end.

Auditors’ Recommendations: We recommend all County funds, with the exception of agency funds, be budgeted and approved by the County Commission. Once adopted, budgets must be monitored for compliance with state statute. In addition, we recommend the County’s cash balances rebudgeted to absorb budget deficits do not exceed the actual cash balances available at the end of the prior year.

Management Response: McKinley County's Finance department is aware of the over-budget item and will ensure that resolutions are approved by the Board of Commissioners and DFA so this situation does not happen again. The Finance department has also been educated on the proper procedures of defeasing a bond and have ceased in using all past practices relating to the defeasance of bonds. McKinley County's Finance department will better monitor the Budget to ensure all budgeted expenditures do not exceed beginning cash balances.

Section III – Federal Award Findings

None noted

Section IV – Summary of Prior Year Audit Findings

FS 11-01 — Deficiencies in Design over Internal Controls – Material Weakness (Repeat/Modified)

FS 11-03 — Travel and Per Diem - Other Matters (Repeat/Modified)

FS 12-01 Improper Pay Raises - Material Weakness (Resolved)

FS 12-02 Insufficient Internal Controls over Procurement - Notice of Awards - Material Weakness/ Noncompliance (Resolved)

FS 12-03 Insufficient Internal Controls over Procurement - Bids- Material Weakness/ Noncompliance (Repeat/Modified)

FS 12-04 Insufficient Internal Controls over Procurement - Lack of Proper Approval of Contracts - Material Weakness/ Noncompliance (Resolved)

FS 12-05 Insufficient Internal Controls over Procurement - Lack of Proper Oversight- Material Weakness/ Noncompliance (Repeat/Modified)

FS 12-06 Insufficient Internal Controls over Procurement - Lack of Proper Procurement Policies and Conflict of Interest - Material Weakness/ Noncompliance (Repeat/Modified)

FS 12-07 Insufficient Internal Controls over Procurement - Lack of Not Including the 5% Bidder Preference- Material Weakness/ Noncompliance (Resolved)

FS 12-08 Insufficient Internal Controls over Procurement - Lack of Sufficient Documentation - Material Weakness/ Noncompliance (Resolved)

FS 12-09 Insufficient Internal Controls over Procurement - Noncompliance with State Procurement Code - Material Weakness/ Noncompliance (Resolved)

FS 12-10 Insufficient Internal Controls over Procurement - Request for Qualifications - Material Weakness/ Noncompliance (Resolved)

FS 12-11 Violations of Open Meetings Act – Noncompliance (Repeat)

FA 12-01 – Grant Compliance – Material Weakness (Resolved)

STATE OF NEW MEXICO

McKinley County

Other Disclosures

June 30, 2013

Exit Conference

An exit conference was held on November 13, 2013. In attendance were the following:

Representing McKinley County:

Genevieve Jackson, County Commissioner- Chairperson

Carol Bowman-Muskett, County Commissioner

Earnest C. Becenti, County Treasurer

Bruce Swingle, County Manager

Sara Keeler, Finance Director

Douglas W. Decker, County Attorney

Robert P. Griego, Senior Deputy Treasurer

Dezirie Gomez, HR Director

Representing Accounting & Consulting Group, LLP:

Ray Roberts, CPA, Managing Partner

Auditor Prepared Financial Statements

Accounting and Consulting, Group, LLP prepared the GAAP-basis financial statements and footnotes of McKinley County from the original books and records provided to them by the management of the County. The responsibility for the financial statements remains with the County.