



State of New Mexico
McKinley County
Annual Financial Report
For the Year Ended June 30, 2014



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STATE OF NEW MEXICO

McKinley County

Official Roster

June 30, 2014

<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>	
Bill Lee		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 funds of McKinley County, New Mexico (the County), as of and for the year ended June 30, 2014, 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 related budgetary comparisons 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, 2014, 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, 2014, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds 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, 2014, and the respective changes in

financial position thereof and the respective budgetary comparisons for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 7 to the financial statements, the County has recognized a change in estimate related to the landfill closure and post closure liability. This change is due to the County reevaluating the closure and post closure liability as of June 30, 2014. The reevaluation adjusted the liability on the financial statements of the County from \$98,000 to \$770,000 as of July 1, 2013, and an ending liability of \$715,000 as of June 30, 2014. The auditor's opinion is not modified with respect to the matter emphasized.

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 section 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 section 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 section 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, 2014 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, 2014

STATE OF NEW MEXICO
McKinley County
Management's Discussion and Analysis
June 30, 2014

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, 2014. 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 \$116,693,067 (*net position*). Of this amount, \$13,913,148 (*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 \$2,611,603. 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 \$17,902,554, or 55 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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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 46 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, Road fund, and Indigent 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 34-57 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.

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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 \$116,693,067 and \$115,157,925 at the close of the fiscal years ended June 30, 2014 and June 30, 2013, respectively. The County also had revenues that exceeded expenditures during the year in the amount of \$2,611,603 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 (\$41,516,003) 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* (\$13,913,148) 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, 2014.

McKinley County's Net Assets
June 30, 2014

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 59,535,346	\$ 58,036,572
Capital assets	<u>75,463,916</u>	<u>74,243,615</u>
Total assets	<u>134,999,262</u>	<u>132,280,187</u>
Current Liabilities	3,807,474	2,117,356
Non-current liabilities	<u>14,498,721</u>	<u>15,004,906</u>
Total liabilities	<u>18,306,195</u>	<u>17,122,262</u>
Net assets:		
Invested in capital assets, net of related debt	61,263,916	59,503,615
Restricted for:		
Debt service	3,011,066	3,136,282
Capital projects	11,091,446	19,522,643
Other Purpose- special revenue	27,413,491	26,273,887
Unrestricted	<u>13,913,148</u>	<u>6,721,498</u>
Total net assets	<u>\$ 116,693,067</u>	<u>\$ 115,157,925</u>

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 McKinley County
 Management's Discussion and Analysis
 June 30, 2014

Changes in Net Position

The County's total revenues of \$41,085,096 and program expenses of \$38,473,493 resulted in a change in net position of \$2,611,603. 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, 2014 and June 30, 2013.

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Program revenues:		
Charges for service	\$ 5,085,362	\$ 5,653,656
Operating grants and contributions	5,972,606	8,128,397
Capital grants and contributions	110,775	574,387
General revenues:		
Property taxes, levied for general purposes	8,448,444	7,709,379
Gross receipts taxes	17,246,261	19,456,367
Gasoline and motor vehicle	1,127,432	913,345
Other	1,169,752	1,184,210
Payments in lieu of taxes	1,030,747	1,074,150
Interest income	386,965	243,442
Miscellaneous income	584,561	575,058
Proceeds from sale of capital assets	-	33,959
Loss on disposal of capital assets	(41,828)	(322,897)
Net increase (decrease) in the fair value of investments	595,491	(926,999)
Special item - transfer from/(to) agency fund	40,528	494,000
Special item - change in landfill liability	(672,000)	-
	<u>41,085,096</u>	<u>44,790,454</u>
Program expenses:		
General government	\$ 9,729,484	\$ 6,892,673
Public safety	14,741,898	14,304,222
Public works	5,973,895	7,358,073
Health and welfare	7,395,302	6,888,803
Interest on long-term debt	632,914	1,174,571
	<u>38,473,493</u>	<u>36,618,342</u>
Total Expenses	<u>38,473,493</u>	<u>36,618,342</u>
Change in net assets	<u>2,611,603</u>	<u>8,172,112</u>
Net Assets - ending	<u>\$ 116,693,067</u>	<u>\$ 115,157,925</u>

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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 \$55,817,744, a decrease of \$118,495 in comparison with the prior year. Approximately 28 percent of this total amount, \$15,438,316, constitutes *unassigned fund balance*, which is available for spending at the government's discretion, and 72 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 \$15,438,316 while total fund balance was \$15,438,316. 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 157 percent of total general fund expenditures, while total fund balance represents 139 percent of that same amount. Fund balance of McKinley County's general fund increased by \$3,948,698 during the current fiscal year. The increase is due to an increase in the collection of both property taxes and gross receipts taxes.

The Road Fund has total fund balance of \$1,176,385. At the end of the current fiscal year, *unassigned* fund balance of the Road Fund was \$0. The net decrease in fund balance during the current year in the Adult Detention fund was (\$1,152,146). This decrease is due a carryover of multiple County Road projects.

The Indigent Health Care Fund has a total fund balance of \$3,304,070. At the end of the current fiscal year, *unassigned* fund balance of the Indigent Health Care Fund was \$0. The net increase in fund balance during the current year in the Indigent Health Care Fund was \$690,587. This increase is due primarily to the change of the calculation method of the final payment under the Sole Community Provider calculation method. The State of New Mexico passed legislation to a new calculation method to be placed into a Safety Net Care Pool.

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 (\$408,194). The decrease was mainly due to the difference of budgeted expense transfer to assist in funding for the Navajo-Gallup Water pipeline to the Capital Projects Fund and the increase for the compensation study. Actual expenditures in the general fund were lower than final budgeted expenditures by \$3,441,909.

The following table examines the summary budget performance of the major and aggregate non-major funds for the fiscal year ending June 30, 2014. 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.

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Fund Budget Performance

	Final Budget	Actual on Cash (Budgetary) Basis	Favorable (Unfavorable) Variance
General Fund	\$ 13,244,697	\$ 9,802,788	\$ 3,441,909
Road Fund	6,127,397	3,786,215	2,341,182
Indigent Health Care Fund	3,999,050	2,716,636	1,282,414
Other Governmental Funds	34,396,498	22,967,786	11,428,712
Total for Governmental Funds	<u>\$ 57,767,642</u>	<u>\$ 39,273,425</u>	<u>\$ 18,494,217</u>

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, 2014, amounts to \$75,463,916 (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, 2014 and June 30, 2013.

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

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Property, plant and equipment		
Land	\$ 3,765,416	\$ 3,765,416
Constuction in progress	2,483,618	8,632,923
Infrastructure	27,766,389	27,766,389
Land improvements	4,080,323	4,080,323
Buildings and improvements	67,507,609	58,239,301
Vehicles and rolling stock	22,488,946	20,802,879
Machinery, equipment, & Other	<u>6,585,768</u>	<u>6,545,472</u>
Total property, plant and equipment	<u>134,678,069</u>	<u>129,832,703</u>
Less: accumulated depreciation	<u>(59,214,153)</u>	<u>(55,589,088)</u>
of accumulated depreciation	<u>\$ 75,463,916</u>	<u>\$ 74,243,615</u>

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The County recognized \$5,409,674 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, 2014. Additional information on McKinley County's commitments can be found in Note 13 of the financial statements.

Long-term debt

At June 30, 2014, McKinley County had total gross receipt revenue bonds outstanding of \$14,200,000, which is secured by pledged gross receipts tax revenues. McKinley County also has post-closure debt of \$715,000, which is restricted cash in the EGRT fund.

**McKinley County's Outstanding Debt
 June 30, 2014**

	<u>Governmental Activities</u>	
	<u>2014</u>	<u>2013</u>
Gross Receipts Revenue Bonds	\$ 14,200,000	\$ 14,740,000
Landfill Closure/Post/Closure Costs	715,000	98,000
Compensated Absences	<u>560,055</u>	<u>535,445</u>
 Total outstanding debt	 <u>\$ 15,475,055</u>	 <u>\$ 15,373,445</u>

The County reduced bonds payable by their principal payment of \$540,000. 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 2014 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to \$17,902,554. 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, 2014

	<u>Governmental Activities</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 10,115,255
Investments	43,671,189
Receivables:	
Property taxes	412,866
Other taxes	2,344,910
Other receivables	2,922,769
Total current assets	<u>59,466,989</u>
Noncurrent assets	
Bond underwriter discount (net of accumulated amortization of \$21,079)	68,357
Capital assets	134,678,069
Less: accumulated depreciation	<u>(59,214,153)</u>
Total noncurrent assets	<u>75,532,273</u>
Total assets	<u><u>\$ 134,999,262</u></u>

The accompanying notes are an integral part of these financial statements

	<u>Governmental Activities</u>
Liabilities	
Current liabilities	
Accounts payable	\$ 1,950,858
Accrued payroll	639,024
Accrued interest	51,687
Current portion of accrued compensated absences	550,905
Current portion of landfill closure and postclosure costs	55,000
Current portion of bonds payable	<u>560,000</u>
Total current liabilities	<u>3,807,474</u>
Noncurrent liabilities	
Accrued compensated absences	9,150
Landfill closure and postclosure costs	660,000
Bond underwriter premium (net of accumulated amortization of \$44,249)	189,571
Bonds payable	<u>13,640,000</u>
Total noncurrent liabilities	<u>14,498,721</u>
Total liabilities	<u>18,306,195</u>
Net position	
Net investment in capital assets	61,263,916
Restricted for:	
Debt service	3,011,066
Capital projects	11,091,446
Other purposes - special revenue	27,413,491
Unrestricted	<u>13,913,148</u>
Total net position	<u>116,693,067</u>
Total liabilities and net position	<u>\$ 134,999,262</u>

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STATE OF NEW MEXICO
 McKinley County
 Statement of Activities
 For the Year Ended June 30, 2014

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	\$ 9,729,484	\$ 3,391,132	\$ 571,712	\$ -	\$ (5,766,640)
Public safety	14,741,898	83,677	4,957,106	110,775	(9,590,340)
Public works	5,973,895	-	206,425	-	(5,767,470)
Health and welfare	7,395,302	1,610,553	237,363	-	(5,547,386)
Interest on long-term debt	632,914	-	-	-	(632,914)
<i>Total governmental activities</i>	<u>\$ 38,473,493</u>	<u>\$ 5,085,362</u>	<u>\$ 5,972,606</u>	<u>\$ 110,775</u>	(27,304,750)

General revenues and special items:

Taxes:	
Property	8,448,444
Gross receipts	17,246,261
Gasoline and motor vehicle	1,127,432
Other	1,169,752
Payment in lieu of taxes	1,030,747
Investment income	386,965
Net increase (decrease) in the fair value of investments	595,491
Miscellaneous income	584,561
Loss on disposal of capital assets	(41,828)
Special item- transfer from agency fund (Note 5)	40,528
Special item- change in landfill liability (Note 7)	(672,000)
Total general revenues and special items	<u>29,916,353</u>
Change in net position	<u>2,611,603</u>
Net position - beginning	115,157,925
Net position - restatement (Note 18)	<u>(1,076,461)</u>
Net position - as restated	<u>114,081,464</u>
Net position - ending	<u>\$ 116,693,067</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

McKinley County
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Road Fund	Indigent Health Care Fund
	<u> </u>	<u> </u>	<u> </u>
<i>Assets</i>			
Cash and cash equivalents	\$ 257,684	\$ 1,128,082	\$ 220
Investments	17,562,980	-	2,335,982
Receivables:			
Property taxes	410,020	-	-
Other taxes	303,298	137,944	238,019
Other receivables	130,497	329,760	1,254,694
Due from other funds	44,510	-	-
	<u> </u>	<u> </u>	<u> </u>
<i>Total assets</i>	<u>\$ 18,708,989</u>	<u>\$ 1,595,786</u>	<u>\$ 3,828,915</u>
 <i>Liabilities, deferred inflows, and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 157,372	\$ 271,933	\$ 524,845
Accrued payroll	262,540	63,859	-
Due to other funds	-	-	-
	<u> </u>	<u> </u>	<u> </u>
<i>Total liabilities</i>	<u>419,912</u>	<u>335,792</u>	<u>524,845</u>
 <i>Deferred inflows of resources</i>			
Deferred inflows- grants	70,131	83,609	-
Deferred inflows- property taxes	316,392	-	-
	<u> </u>	<u> </u>	<u> </u>
<i>Total deferred inflows of resources</i>	<u>386,523</u>	<u>83,609</u>	<u>-</u>
 <i>Fund balances</i>			
Spendable			
Restricted for:			
General county operations	-	-	-
Maintenance of roads	-	819,527	-
Fire departments	-	-	-
Public safety	-	-	-
Healthcare	-	-	3,304,070
Capital projects expenditures	-	-	-
Debt service expenditures	-	-	-
Committed for:			
Corrections facility	-	-	-
Senior center	-	-	-
Minimum fund balance	2,464,238	356,858	-
Unassigned	15,438,316	-	-
	<u> </u>	<u> </u>	<u> </u>
<i>Total fund balances</i>	<u>17,902,554</u>	<u>1,176,385</u>	<u>3,304,070</u>
 <i>Total liabilities, deferred inflows, and fund balances</i>			
	<u>\$ 18,708,989</u>	<u>\$ 1,595,786</u>	<u>\$ 3,828,915</u>

The accompanying notes are an integral part of these financial statements

Other Governmental Funds	Total
\$ 8,729,269	\$ 10,115,255
23,772,227	43,671,189
2,846	412,866
1,665,649	2,344,910
1,207,818	2,922,769
-	44,510
\$ 35,377,809	\$ 59,511,499
\$ 996,708	\$ 1,950,858
312,625	639,024
44,510	44,510
1,353,843	2,634,392
587,502	741,242
1,729	318,121
589,231	1,059,363
7,188,674	7,188,674
-	819,527
1,557,036	1,557,036
7,039,997	7,039,997
5,244,198	8,548,268
9,718,020	9,718,020
1,512,186	1,512,186
1,164,052	1,164,052
10,572	10,572
-	2,821,096
-	15,438,316
33,434,735	55,817,744
\$ 35,377,809	\$ 59,511,499

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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, 2014

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	\$ 55,817,744
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	75,463,916
Revenues not collected within sixty days after year end are not considered "available" revenues and are considered to be "unavailable" revenues in the fund financial statements, but are considered revenue in the Statement of Activities	
Delinquent property taxes	318,121
Grant revenues	741,242
Other noncurrent assets are not available to pay for current period expenditures and therefore, are deferred in the funds:	
Bond underwriter discount	68,357
Other liabilities are not due and payable with current financial resources and, therefore are not reported in the funds:	
Accrued interest payable	(51,687)
Bond underwriter premium	(189,571)
Current portion of accrued compensated absences not due and payable at year end	(550,905)
Current portion of landfill closure and postclosure costs	(55,000)
Current portion of bonds payable	(560,000)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	(13,640,000)
Accrued compensated absences	(9,150)
Landfill closure and postclosure costs	(660,000)
Net position - governmental activities	<u>\$ 116,693,067</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, 2014

	<u>General Fund</u>	<u>Road Fund</u>	<u>Indigent Health Care Fund</u>
<i>Revenues:</i>			
Taxes:			
Property	\$ 8,493,708	\$ -	\$ -
Gross receipts	2,908,588	674,189	2,239,450
Gasoline and motor vehicle taxes	353,929	773,503	-
Other	10,104	-	-
Intergovernmental:			
Federal operating grants	6,648	255	-
State operating grants	-	638,294	-
State capital grants	-	110,775	-
Payment in lieu of taxes	1,030,747	-	-
Charges for services	175,825	-	1,500,000
Investment income	386,091	-	703
Net increase (decrease) in the fair value of investments	445,221	-	(6,336)
Miscellaneous	150,754	60	4,694
<i>Total revenues</i>	<u>13,961,615</u>	<u>2,197,076</u>	<u>3,738,511</u>
<i>Expenditures:</i>			
Current:			
General government	5,820,481	-	-
Public safety	3,753,384	-	-
Public works	-	3,965,090	-
Health and welfare	257,692	-	3,047,924
Capital outlay	21,766	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>9,853,323</u>	<u>3,965,090</u>	<u>3,047,924</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,108,292</u>	<u>(1,768,014)</u>	<u>690,587</u>
<i>Other financing sources (uses)</i>			
Proceeds from sale of equipment	12,249	-	-
Transfers in	1,434,345	615,868	-
Transfers (out)	(1,601,030)	-	-
<i>Total other financing sources (uses)</i>	<u>(154,436)</u>	<u>615,868</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>3,953,856</u>	<u>(1,152,146)</u>	<u>690,587</u>
<i>Fund balance - beginning of year</i>	13,948,698	2,328,531	2,613,483
<i>Fund balance - restatement</i>	-	-	-
<i>Fund balance - as restated</i>	<u>13,948,698</u>	<u>2,328,531</u>	<u>2,613,483</u>
<i>Fund balance - end of year</i>	<u>\$ 17,902,554</u>	<u>\$ 1,176,385</u>	<u>\$ 3,304,070</u>

The accompanying notes are an integral part of these financial statements

Other Governmental Funds	Total
\$ 783	\$ 8,494,491
11,424,034	17,246,261
-	1,127,432
1,159,648	1,169,752
640,970	647,873
4,095,658	4,733,952
-	110,775
-	1,030,747
3,323,559	4,999,384
171	386,965
156,606	595,491
364,570	520,078
<u>21,165,999</u>	<u>41,063,201</u>
3,501,797	9,322,278
10,149,184	13,902,568
166,461	4,131,551
3,075,360	6,380,976
5,387,908	5,409,674
540,000	540,000
643,094	643,094
<u>23,463,804</u>	<u>40,330,141</u>
<u>(2,297,805)</u>	<u>733,060</u>
1,700	13,949
5,634,680	7,684,893
(6,043,335)	(7,644,365)
<u>(406,955)</u>	<u>54,477</u>
<u>(2,704,760)</u>	<u>787,537</u>
36,808,537	55,699,249
<u>(669,042)</u>	<u>(669,042)</u>
36,139,495	55,030,207
<u>\$ 33,434,735</u>	<u>\$ 55,817,744</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, 2014

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	\$	787,537
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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		5,409,674
Depreciation expense		(4,133,596)
Loss on disposal of assets on statement of activities		(55,777)

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

Change in deferred inflows related to property taxes receivable		(46,047)
Change in deferred inflows related to grants receivable		741,242

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		(24,610)
Current year landfill postclosure expenses		55,000
Special item- change in landfill liability (Note 7)		(672,000)

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		1,904
Amortization of bond premium		11,890
Amortization of bond discount		(3,614)
Principal payments on bonds		540,000
		540,000

Change in net position of governmental activities	\$	2,611,603
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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, 2014

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes				
Property	\$ 7,569,714	\$ 7,569,714	\$ 8,509,085	\$ 939,371
Gross receipts	3,400,000	3,400,000	2,928,079	(471,921)
Gasoline and motor vehicle	335,000	335,000	352,256	17,256
Other	12,000	12,000	10,456	(1,544)
Intergovernmental income:				
Federal operating grants	-	-	3,078	3,078
State operating grants	-	-	-	-
Payment in lieu of taxes	1,047,530	1,047,530	1,030,747	(16,783)
Charges for services	219,980	219,980	175,974	(44,006)
Investment income	250,000	250,000	386,091	136,091
Net increase (decrease) in the fair value of investments	-	-	445,221	445,221
Miscellaneous	98,600	98,600	144,212	45,612
<i>Total revenues</i>	<u>12,932,824</u>	<u>12,932,824</u>	<u>13,985,199</u>	<u>1,052,375</u>
<i>Expenditures:</i>				
Current:				
General government	8,620,521	8,080,288	5,829,450	2,250,838
Public safety	4,723,584	4,845,392	3,747,618	1,097,774
Public Works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	260,286	261,921	225,720	36,201
Capital outlay	48,500	57,096	-	57,096
<i>Total expenditures</i>	<u>13,652,891</u>	<u>13,244,697</u>	<u>9,802,788</u>	<u>3,441,909</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(720,067)</u>	<u>(311,873)</u>	<u>4,182,411</u>	<u>4,494,284</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(332,533)	458,070	-	(458,070)
Proceeds from sale of equipment	20,000	20,000	12,249	(7,751)
Transfers in	1,287,000	1,441,833	1,434,345	(7,488)
Transfers (out)	(254,400)	(1,608,030)	(1,601,030)	7,000
<i>Total other financing sources (uses)</i>	<u>720,067</u>	<u>311,873</u>	<u>(154,436)</u>	<u>(466,309)</u>
<i>Net change in fund balance</i>	-	-	4,027,975	4,027,975
<i>Fund balance - beginning of year</i>	-	-	13,837,199	13,837,199
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,865,174</u>	<u>\$ 17,865,174</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 4,027,975
Adjustments to revenues for property tax and grant revenues				(23,584)
Adjustments to expenditures for insurance, materials, other charges, and payroll expenditures				(50,535)
Net change in fund balance (GAAP)				<u>\$ 3,953,856</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-2

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, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	735,000	735,000	677,841	(57,159)
Gasoline and motor vehicle	2,758,652	2,758,652	847,474	(1,911,178)
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	164,825	164,825	147,129	(17,696)
State operating grants	408,000	949,743	722,660	(227,083)
State capital grants	-	-	110,775	110,775
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	500	500	311	(189)
<i>Total revenues</i>	<u>4,066,977</u>	<u>4,608,720</u>	<u>2,506,190</u>	<u>(2,102,530)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public Works	4,540,341	5,739,340	3,658,676	2,080,664
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	388,057	127,539	260,518
<i>Total expenditures</i>	<u>4,540,341</u>	<u>6,127,397</u>	<u>3,786,215</u>	<u>2,341,182</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(473,364)</u>	<u>(1,518,677)</u>	<u>(1,280,025)</u>	<u>238,652</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(26,636)	902,809	-	(902,809)
Transfers in	500,000	615,868	615,868	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>473,364</u>	<u>1,518,677</u>	<u>615,868</u>	<u>(902,809)</u>
<i>Net change in fund balance</i>	-	-	(664,157)	(664,157)
<i>Fund balance - beginning of year</i>	-	-	1,792,239	1,792,239
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,128,082</u>	<u>\$ 1,128,082</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (664,157)
Adjustments to revenues for gross receipts taxes and charges for service				(309,114)
Adjustments to expenditures for repairs and maintenance and supplies				(178,875)
Net change in fund balance (GAAP)				<u>\$ (1,152,146)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit C-3

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, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	2,550,000	2,550,000	2,313,556	(236,444)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	1,500,000	1,500,000	1,106,618	(393,382)
Net increase (decrease) in the fair value of investments	-	-	(6,336)	(6,336)
Investment income	1,000	1,000	703	(297)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,051,000</u>	<u>4,051,000</u>	<u>3,414,541</u>	<u>(636,459)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public Works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	3,999,050	3,999,050	2,716,636	1,282,414
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>3,999,050</u>	<u>3,999,050</u>	<u>2,716,636</u>	<u>1,282,414</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>51,950</u>	<u>51,950</u>	<u>697,905</u>	<u>645,955</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(51,950)	(51,950)	-	51,950
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(51,950)</u>	<u>(51,950)</u>	<u>-</u>	<u>51,950</u>
<i>Net change in fund balance</i>	-	-	697,905	697,905
<i>Fund balance - beginning of year</i>	-	-	1,638,297	1,638,297
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,336,202</u>	<u>\$ 2,336,202</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 697,905
Adjustments to revenues for gross receipts taxes and charges for service				323,970
Adjustments to expenditures for repairs and maintenance and supplies				(331,288)
Net change in fund balance (GAAP)				<u>\$ 690,587</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
McKinley County
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2014

Exhibit D-1

<i>Assets</i>	
Cash	\$ 309,243
Investments	502,736
Property taxes receivable	<u>1,301,017</u>
<i>Total assets</i>	<u><u>\$ 2,112,996</u></u>
 <i>Liabilities</i>	
Accounts payable	\$ 11,216
Due to other taxing entities	1,301,017
Deposits held in trust	<u>800,763</u>
<i>Total liabilities</i>	<u><u>\$ 2,112,996</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, 2014

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, 2014, the County adopted GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB Statement No. 65 ("GASB 65") established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The effect of GASB 65 is reflected in the Statement of Activities as a restatement to net position in the amount of \$407,419 due to the accounting treatment of the unamortized amount of bond issuance costs at July 1, 2013. Also, the implementation of GASB 65 is expected to affect the County by reclassifying unearned revenues- property taxes as a deferred inflow of resources at June 30, 2014.

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, 2014

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, 2014

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, 2014

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 *Road Fund Special Revenue 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.

The *Indigent Health Care Special Revenue Fund* is 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 7-20E-9, NMSA, 1978 Compilation and McKinley County Ordinance No. 07-88-032.9).

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, 2014

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. Investments for the County are reported at fair value.

State statutes authorize the County to invest in Certificates of Deposit and Federal Home Loan investments.

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, 2014

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, 2014, along with applicable PERA, FICA, and Medicare payable.

Deferred Inflows of Resources: Governmental funds report deferred inflows of resources for revenue due and receivable but not considered to be available to liquidate liabilities of the current period. At the end of the fiscal year, there were property taxes receivable in the amount \$318,121 and grant revenues in the amount of \$741,424 that were not received within the period of availability, and as required by GASB 65, are classified as deferred inflows.

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, 2014

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 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, 2014, 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, 2014, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$25,153,502 for various County operations as restricted by enabling legislation. Also, the County restricted \$9,718,020 for capital projects, and \$1,512,186 for servicing debt. The County has also presented committed fund balance on the governmental funds balance sheet in the amount of \$1,174,624 in order to provide services in relation to corrections facility and the senior center. 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, 2014, the County maintains \$2,821,096 as minimum fund balances.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2014

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, accrued compensated absences, and the landfill liability. As noted in Note 7, as of July 1, 2013, the County recognized a change in estimate in the amount of \$672,000.

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, 2014

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information

	Excess (deficiency) of revenues over expenditures	
	Original	Final
	Budget	Budget
Budgeted Funds:		
General Fund	\$ (720,067)	\$ (311,873)
Road Fund Special Revenue Fund	\$ (473,364)	\$ (1,518,677)
Indigent Health Care Special Revenue Fund	\$ 51,950	\$ 51,950
Other Governmental Funds	\$ (5,719,819)	\$ (10,532,028)

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, 2014 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, 2014

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, 2014.

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.

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 for all deposit accounts out of state and up to \$250,000 for all time and saving accounts plus up to \$250,000 for all demand deposit accounts held at a single institution in state.

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, 2014, \$18,345,623 of the County's bank balance of \$19,694,841 was exposed to custodial credit risk. Although the \$18,345,623 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, 2014.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2014

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	\$ 1,502,736	\$ 10,763,235	\$ 2,000,405	\$ 5,329,247
FDIC coverage	<u>(250,000)</u>	<u>(500,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>
Total uninsured public funds	<u>1,252,736</u>	<u>10,263,235</u>	<u>1,750,405</u>	<u>5,079,247</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>1,252,736</u>	<u>10,263,235</u>	<u>1,750,405</u>	<u>5,079,247</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50%)	\$ 626,368	\$ 5,131,618	\$ 875,203	\$ 2,539,624
Pledged securities	<u>2,286,354</u>	<u>21,138,416</u>	<u>5,677,446</u>	<u>5,402,964</u>
Over (under) collateralized	<u>\$ 1,659,986</u>	<u>\$ 16,006,798</u>	<u>\$ 4,802,243</u>	<u>\$ 2,863,340</u>
	<u>First Financial Credit Union</u>	<u>Total</u>		
Amount of deposits	\$ 99,218	\$ 19,694,841		
FDIC coverage	<u>(99,218)</u>	<u>(1,349,218)</u>		
Total uninsured public funds	<u>-</u>	<u>18,345,623</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>18,345,623</u>		
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>		
Collateral requirement (50%)	\$ -	\$ 9,172,813		
Pledged securities	<u>-</u>	<u>34,505,180</u>		
Over (under) collateralized	<u>\$ -</u>	<u>\$ 25,332,367</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, 2014

NOTE 3. Deposits and Investments (continued)

Investments

As of June 30, 2014, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
Federal Home Loan	<6 year	35,571,566	Aaa*

*Rating based on Moody's rating

The investments are listed on Schedule II of this report. At year end June 30, 2014, there was \$8,099,623 of certificates of deposits, classified as investments at Exhibit B-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 Federal Home Loan represent 100% 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.

Reconciliation of Cash and Cash Equivalents

Primary Government

Reconciliation to the Statement of Net Position

Cash and cash equivalents per Exhibit A-1	\$ 10,115,255
Investments per Exhibit A-1	43,671,189
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit D-1	309,243
Investments - Statement of Fiduciary Assets and Liabilities per Exhibit D-1	<u>502,736</u>
Total cash, cash equivalents, and investments	54,598,423
Add: outstanding checks	731,837
Less: Investments that are not certificates of deposits	(35,571,566)
Less: deposits in transit	(62,876)
Less: petty cash	<u>(977)</u>
Bank balance of deposits	<u><u>\$ 19,694,841</u></u>

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2014

NOTE 4. Receivables

Receivables as of June 30, 2014, are as follows:

	General Fund	Road Fund	Indigent Health Care Fund	Other Governmental Funds	Total
Property taxes	\$ 410,020	\$ -	\$ -	\$ 2,846	\$ 412,866
Other taxes:					
Gross receipts taxes	303,298	104,514	238,019	1,665,649	2,311,480
Gasoline and oil taxes	-	33,430	-	-	33,430
Other receivables:					
Charges for services	17,264	-	1,250,000	346,531	1,613,795
Intergovernmental:					
State	99,653	258,123	4,694	511,921	874,391
Federal	3,570	-	-	336,013	339,583
Miscellaneous	10,010	71,637	-	13,353	95,000
Totals	\$ 843,815	\$ 467,704	\$ 1,492,713	\$ 2,876,313	\$ 5,680,545

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$318,121 that were not collected within the period of availability have been reclassified as deferred inflow in the governmental fund financial statements. Also, grant revenues in the amount of \$741,424 that were not received within the period of availability, and as required by GASB 65, were classified as deferred inflows

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

NOTE 5. Interfund Receivables, Payables, and Transfers

The County's fund financial statements include inter-fund receivables and payables to enable the funds to operate until grant monies are received. Interfund receivables as of June 30, 2014 consisted of the following:

Due From	Due To	Amount
101 GENERAL FUND	227 SHERIFF'S GRANTS	\$ 44,510

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, 2014

NOTE 5. Interfund Receivables, Payables, and Transfers (continued)

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

Transfers In	Transfers Out	Amount
101 GENERAL FUND	401 DEBT SERV-GEN OBLIG.	\$ 566
101 GENERAL FUND	402 DEBT SERV - GEN REV	143,761
210 BEAUTIFICATION GRANT	404 DEBT SERV - GEN REV	7,000
101 GENERAL FUND	404 DEBT SERV - GEN REV	1,290,018
201 CORRECTIONS FEES	101 GENERAL FUND	162,032
203 PROPERTY VALUATION	101 GENERAL FUND	7,343
204 ROAD FUND	101 GENERAL FUND	115,868
204 ROAD FUND	300 CAPITAL PROJECTS FUND	500,000
206 EMERG MED SERVICES	101 GENERAL FUND	127,720
206 EMERG MED SERVICES	214 EMERG COMMUN/EMS	656,000
207 METRO DISPATCH	101 GENERAL FUND	192,376
208 FARM & RANGE	101 GENERAL FUND	7,100
214 EMERG COMMUN/EMS	207 METRO DISPATCH	1,000,000
218 INTERGVT GRANTS	315 STATE PROJECTS	350,000
219 SENIOR CITIZENS CTRS	101 GENERAL FUND	37,000
223 DWI PROGRAM	101 GENERAL FUND	44,382
224 PUBLIC DEFENDER BLDG	101 GENERAL FUND	59,561
226 MAGISTRATE CRT BLDG	101 GENERAL FUND	8,180
228 NARC ENF/CANINE	295 RURAL PUBLIC SAFETY	35,000
231 ADULT DETENTION	101 GENERAL FUND	532,286
236 EMERG MNGMT	101 GENERAL FUND	103,860
236 EMERG MNGMT	295 RURAL PUBLIC SAFETY	493,435
238 FOREST RESERVE	101 GENERAL FUND	3,300
238 FOREST RESERVE	315 STATE PROJECTS	300,000
240 JUV SUBST ABUSE CRISIS	101 GENERAL FUND	200,021
300 CAPITAL PROJECTS FUND	904 DEBT SERV TRUST-GEN REV	31,416
304 CDBG GAMERCO W/S	202 ENVIRONMENTAL GRT	17,554
304 GAMERCO W/S CDBG	306 THOREAU W/D CDBG	500,000
402 DEBT SERV-GEN REV	304 GAMERCO W/S CDBG	1
316 JUDICIAL COMPLEX	300 CAPITAL PROJECTS FUND	750,000
402 DEBT SERV-GEN REV	902 DEBT SERV TRUST-GEN REV	9,113
		<u>\$ 7,684,893</u>

Exhibit B-2 noted that the County had \$7,684,893 of transfers in, and \$7,644,365 of transfers out, leaving a difference of \$40,528 at year end. This difference is due to the County transferring \$40,528 from an agency fund during the fiscal year 2014 as part of the clearing of cash from the prior year's bond defeasance. These funds were transferred back to the originating fund that the defeased debt was related to. This amount is noted as a special item at Exhibit A-2.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2014

NOTE 6. Capital Assets

The following is a summary of capital assets and changes occurring during the year ended June 30, 2014. Land and construction in progress are not subject to depreciation.

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 3,765,416	\$ -	\$ -	\$ 3,765,416
Construction in progress	8,632,923	3,043,713	9,193,018	2,483,618
	<u>12,398,339</u>	<u>3,043,713</u>	<u>(9,193,018)</u>	<u>6,249,034</u>
Total capital assets not being depreciated				
	<u>12,398,339</u>	<u>3,043,713</u>	<u>(9,193,018)</u>	<u>6,249,034</u>
Capital assets being depreciated:				
Infrastructure	27,766,389	-	-	27,766,389
Land improvements	4,080,323	-	-	4,080,323
Building and improvements	58,239,301	9,268,308	-	67,507,609
Vehicles and rolling stock	20,802,879	2,078,712	392,645	22,488,946
Machinery, equipment & other	6,545,472	211,959	171,663	6,585,768
	<u>117,434,364</u>	<u>11,558,979</u>	<u>564,308</u>	<u>128,429,035</u>
Total capital assets being depreciated				
	<u>117,434,364</u>	<u>11,558,979</u>	<u>564,308</u>	<u>128,429,035</u>
Less accumulated depreciation:				
Infrastructure	18,783,017	851,950		19,634,967
Land improvements	3,021,059	251,005		3,272,064
Building and improvements	15,526,494	1,506,086	-	17,032,580
Vehicles and rolling stock	13,931,873	1,140,844	367,915	14,704,802
Machinery, equipment & other	4,326,645	383,711	140,616	4,569,740
	<u>55,589,088</u>	<u>4,133,596</u>	<u>508,531</u>	<u>59,214,153</u>
Total accumulated depreciation				
	<u>55,589,088</u>	<u>4,133,596</u>	<u>508,531</u>	<u>59,214,153</u>
Total capital assets, net of depreciation				
	<u>\$ 74,243,615</u>	<u>\$ 1,276,078</u>	<u>\$(9,137,241)</u>	<u>\$ 75,463,916</u>

Depreciation expense for the year ended June 30, 2014 was charged to the functions of the governmental activities as follows:

General Government	\$ 1,117,837
Public Safety	1,889,143
Public Works	1,025,577
Health and Welfare	101,039
	<u>\$ 4,133,596</u>

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2014

NOTE 7. Long-term Debt

During the year ended June 30, 2014, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Due Within One Year
Gross Receipts Revenue Bonds	\$ 14,740,000	\$ -	\$ 540,000	\$ 14,200,000	\$ 560,000
Landfill Closure/Post Closure Costs	98,000	672,000	55,000	715,000	55,000
Compensated Absences	535,445	575,515	550,905	560,055	550,905
Total long-term debt	<u>\$ 15,373,445</u>	<u>\$ 1,247,515</u>	<u>\$ 1,145,905</u>	<u>\$ 15,475,055</u>	<u>\$ 1,165,905</u>

Gross Receipts Revenue Bonds

Bonds outstanding at June 30, 2014 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, 2014

NOTE 7. Long-term Debt (continued)

Gross Receipts Revenue Bonds (continued)

The annual requirements to amortize the Bonds Payable as of June 30, 2014, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
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	655,000	530,744	1,185,744
2020-2024	3,665,000	2,246,275	5,911,275
2025-2029	4,565,000	1,345,050	5,910,050
2030-2030	<u>2,945,000</u>	<u>336,100</u>	<u>3,281,100</u>
	<u>\$ 14,200,000</u>	<u>\$ 6,814,345</u>	<u>\$ 21,014,345</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, 2014. The future minimum lease payments for these leases for 2015 are \$3,120.

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, 1997. An updated estimate (the fourth estimate) was performed in 2014. From this new evaluation, a change in estimate was recognized as a special item in the Statement of Activities (Exhibit A-2), in the amount of \$672,000. This change in estimate resulted from an increase in the landfills liability to cover the new estimate for post-closure for the facilities in compliance with a post-closure care plan developed under 20.9.6 NMAC. The balance at June 30, 2014 is \$715,000.

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, 2014, compensated absences increased \$24,610 over the prior year accrual. In prior years, the general fund was typically used to liquidate such 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, 2014

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, 2014.
- B. There were no funds that maintained expenditures in excess of the budget for the year ended June 30, 2014.
- C. There were no funds that had designated cash appropriations in excess of available budget at June 30, 2014.

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, 2014, 2013, and 2012 were \$1,791,462, \$1,674,894, and \$1,704,791, 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, 2014

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, 2014, 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, 2014, 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, 2014, 2013, and 2012 were \$190,595, \$192,091, and \$175,612, 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, 2014 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, 2014

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 \$3,043,713 as of June 30, 2014. The funding to cover the various commitments was bond and/or note proceeds, including bonds, grants, and cash reserves.

NOTE 14. Restricted Components of Net Position

The government-wide statement of net position reports \$41,516,003 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 15. Subsequent Events

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.

In 2015, the County will be issuing up to \$3,000,000 in Bonds related to an Energy Efficiency initiative for 45 County buildings.

The date to which events occurring after June 30, 2014, 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, 2014 which is the date on which the financial statements were issued.

STATE OF NEW MEXICO
McKinley County
Notes to the Financial Statements
June 30, 2014

NOTE 16. Subsequent Pronouncements

In June 2012, GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* was issued, 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, 2015 and will significantly impact the County.

In January 2013, GASB Statement No. 69 *Government Combinations and Disposals of Government Operations* was issued, 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. The County is still evaluating how this standard will affect the County.

In November 2013, GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* was issued, Effective Date: The provisions of this Statement are effective for fiscal years beginning after June 15, 2014. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. The standard will be implemented during fiscal year June 30, 2015.

NOTE 17. 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.

NOTE 18. Restatements to the Government-Wide and Fund Financial Statements

During the year ended June 30, 2014, the County adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 (“GASB 65”) established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The effect of GASB 65 is reflected in the Statement of Activities as a restatement to net position in the amount of \$407,419 due to the accounting treatment of the unamortized amount of bond issuance costs at July 1, 2013.

Also, during the year ended June 30, 2014, the County restated \$669,042 in the Courthouse Project fund to account for cash left over in the fund in prior year related to a bond defeasance that was actually in escrow and used as interest payments by the escrow agent in fiscal year 2014.

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2014

NOTE 19. Joint Powers Agreements and Memos of Understanding

Type	Name of Organization	Description	Party/Audit Responsible	Contract Amount	Current Year Paid	Date
JPA	Joyce Planning and Development	Comprehensive evaluation for McKinley County JSACC	Each participant	\$ 98,000	\$ 97,810	10/1/2013-9/30/14
JPA	City of Gallup	Operation of the Local Liquor Excise Tax Committee and the application and approval of programs using Liquor Excise Tax moneys.	Each participant	NA	NA	7/1/2014-6/30/16
MOU	DWI/JSACC	Botvin Life Skill Classes	Each participant	\$ 8,000	NA	8/1/2013
MOU	New Mexico Tourism Department	To ensure the proper administration of the Ceremonial and to establish the roles of NMTD and the County with regard to the Ceremonial	Each participant	\$100,000	\$100,000	8/13/2013-6/30/2015
MOU	Veterans Committee	Financially support GMVC in their mission to purchase and construct a new Veterans Memorial Pillar	Each participant	\$ 15,000	\$ 15,000	10/23/13-6/30/14
MOU	Adventure Gallup and Beyond	Financial support to provide new trails and maintain existing trails	Each participant	\$ 10,000	\$ 10,000	8/20/13-6/30/14
MOU	Community Area Resource Enterprise Inc. (CARE 66)	Support CARE 66's goals to build affordable housing in McKinley County	Each participant	\$ 20,000	\$ 20,000	8/14/13-6/30/14
MOU	The Community Pantry	Support Community Pantry to acquire, store and distribute nutritious food to children , the elderly and families in need	Each participant	\$150,000	\$150,000	8/14/13-6/30/14
MOU	Inter-Tribal Ceremonial Association	Operational funding to support the 92nd Gallup Inter-Tribal Indian Ceremonial	Each participant	\$ 35,000	\$ 35,000	8/14/13-6/30/14
MOU	Retired Senior Volunteer Program	To support their general operational cost to sustain its regional efforts to serve Gallup and McKinley County residents with senior volunteer services	Each participant	\$ 15,000	\$ 15,000	8/20/13-6/30/14
MOU	United States Department of Agriculture	To support local match for salaries, benefits, equipment, supplies, vehicles, fuels and other expenses for the local wildlife services specialist	Each participant	\$ 12,500	\$ 9,802	11/14/13-6/30/14

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2014

NOTE 19. Joint Powers Agreements and Memos of Understanding (continued)

Type	Name of Organization	Description	Party/Audit Responsible	Contract Amount	Current Year Paid	Date
MOU	World Changers Gallup	Support general operational cost to sustain its regional efforts for maintenance and construction of homes for needy families	Each participant	\$ 10,000	\$ 10,000	8/21/13-6/30/14
MOU	Rural Bookmobile West	Support general operational cost to sustain its regional efforts to deliver rural county residents and their families with reading material and other reference items	Each participant	\$ 2,800	\$ 2,800	9/9/13-6/30/14
MOU	Thoreau Community Center	To support general operational cost to sustain its regional efforts to serve Thoreau and McKinley County residents with health and well being services	Each participant	\$ 15,000	\$ 15,000	8/14/13-6/30/14
MOU	McKinley Soil and Water Conservation District	To support general operational cost to sustain regional efforts to purchase agricultural supplies and or equipment for use by local producers who need assistance to their continue operation	Each participant	\$ 8,000	\$ 8,000	8/22/13-6/30/14
MOU	New Mexico State University	General operating budget to support County Extension Program which is split three ways between County, State and Federal Partners	Each participant	\$ 72,186	\$ 54,140	8/28/13-6/30/14
MOU	The Gallup Community Service Center	To assist in financial support	Each participant	\$ 20,000	\$ 20,000	8/14/13-6/30/14
MOU	McKinley County Humane Society	General Operational Cost	Each participant	\$160,000	\$160,000	8/16/13-6/30/14
MOU	Gallup Express Transit (City of Gallup)	General Operational cost	Each participant	\$ 30,000	\$ 30,000	9/3/13-6/30/14
MOU	Baahaali Chapter	New signage and cement slab for recycling and trash bins	Each participant	\$ 15,000	\$ 15,000	11/4/13-6/30/14
MOU	RMCHCS	HIPPA Business Associate Agreement	Each participant	NA	NA	9/17/2013
MOU	Greater Gallup Economic Development Corporation	Detail cooperation between the County and the GGEDC limited to and for the purposes of the NM Economic Development Departments "Certified Communities Initiative" (CCI) Program.	Each participant	NA	NA	9/17/2013

STATE OF NEW MEXICO
 McKinley County
 Notes to the Financial Statements
 June 30, 2014

NOTE 19. Joint Powers Agreements and Memos of Understanding (continued)

Type	Name of Organization	Description	Party/Audit Responsible	Contract Amount	Current Year Paid	Date
MOU	11th Judicial District Court	Operate a Youth Treatment Court	Each participant	NA	NA	8/1/2013-7/31/2014
MOU	U.S. Fish and Wildlife Service	Contribute to the preparation of an Environmental Impact Statement	Each participant	NA	NA	9/17/2013
MOU	North West Council of Governments	Vehicle usage for COG to take to Santa Fe, During the 2014 and 2015 Legislative Session	Each participant	NA	NA	1/15/2014-3/30/2015
MOU	UNM & City of Gallup	The Development of Community Broadband and other related technology collaborations	Each participant	NA	NA	1/17/2014
MOU	Eleventh Judicial District Court	JSACC as needed Drug Testing for Court	Each participant	NA	NA	7/1/2014-6/30/2015

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
McKinley County
Nonmajor Governmental Fund Descriptions
June 30, 2014

Special Revenue Funds

Correction Fees – To account for correction fees authorized by Section 66-8-116.3(a). 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).

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.

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).

STATE OF NEW MEXICO
McKinley County
Nonmajor Governmental Fund Descriptions
June 30, 2014

Public Defenders Building – To account for revenues and expenditures related to the rental operations of the public defenders office building See Section 4-38-13.

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 Sheriff's Department while cases are pending litigation and disposition.

Adult Detention – To account for the fiscal operation and reporting of the Gallup McKinley Detention Center. The administration is handled by the local Jail Authority Board.

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, 2014

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/ Gamerico Water System Phase III – To account for the CDBG funds related to the Gamerico Water System Phase III operations.

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.

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

Judicial Complex Construction– To account for construction of the Judicial Complex.

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.

Courthouse Project– To account for monies designated for the retirement of debt associated with the construction and renovation of the County Courthouse.

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, 2014

Special Revenue

	Correction Fees	Environmental Gross Receipts Taxes	Property Valuation	Hazardous Material Support Services
<i>Assets</i>				
Cash and cash equivalents	\$ 114,395	\$ 503,436	\$ 393,742	\$ 44,793
Investments	999,290	1,986,960	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	35,521	22,116	73	-
Other receivables	112,503	-	-	-
<i>Total assets</i>	<u>\$ 1,261,709</u>	<u>\$ 2,512,512</u>	<u>\$ 393,815</u>	<u>\$ 44,793</u>
<i>Liabilities, deferred inflows, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 5,404	\$ 152,102	\$ 1,322	\$ -
Accrued payroll	32,735	-	7,283	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>38,139</u>	<u>152,102</u>	<u>8,605</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Deferred inflows- grants	59,518	-	-	-
Deferred inflows- property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>59,518</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	2,360,410	385,210	44,793
Fire departments	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
<i>Committed for:</i>				
Corrections facility	1,164,052	-	-	-
Senior center	-	-	-	-
<i>Total fund balances</i>	<u>1,164,052</u>	<u>2,360,410</u>	<u>385,210</u>	<u>44,793</u>
<i>Total liabilities, deferred inflows, and fund balances</i>	<u>\$ 1,261,709</u>	<u>\$ 2,512,512</u>	<u>\$ 393,815</u>	<u>\$ 44,793</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

EMS	E911 Metro Dispatch	Farm & Range	Fire Protection District	Highway Beautification Grant
\$ 472,726	\$ 550,986	\$ 10,773	\$ -	\$ 21,764
-	-	-	1,602,187	-
-	-	-	-	-
-	-	-	-	-
12,223	6,732	-	5,227	3,500
<u>\$ 484,949</u>	<u>\$ 557,718</u>	<u>\$ 10,773</u>	<u>\$ 1,607,414</u>	<u>\$ 25,264</u>
\$ 58,119	\$ 2,269	\$ -	\$ 50,378	\$ -
22,078	59,143	-	-	-
-	-	-	-	-
<u>80,197</u>	<u>61,412</u>	<u>-</u>	<u>50,378</u>	<u>-</u>
1,924	-	-	-	-
-	-	-	-	-
<u>1,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	25,264
-	-	-	1,557,036	-
402,828	496,306	-	-	-
-	-	10,773	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>402,828</u>	<u>496,306</u>	<u>10,773</u>	<u>1,557,036</u>	<u>25,264</u>
<u>\$ 484,949</u>	<u>\$ 557,718</u>	<u>\$ 10,773</u>	<u>\$ 1,607,414</u>	<u>\$ 25,264</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2014

Special Revenue

	Law Enforcement Protection	Liquor Excise Tax	Emergency Communication & Medical	Community Health Improvement
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	1,411,488	3,255,047	260,359
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	476,006	-
Other receivables	48,600	-	-	37,235
<i>Total assets</i>	<u>\$ 48,600</u>	<u>\$ 1,411,488</u>	<u>\$ 3,731,053</u>	<u>\$ 297,594</u>
<i>Liabilities, deferred inflows, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 201,725	\$ 4,985	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>201,725</u>	<u>4,985</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Deferred inflows- grants	-	-	-	-
Deferred inflows- property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	-	-	-
Fire departments	-	-	-	-
Public safety	48,600	-	-	-
Healthcare	-	1,209,763	3,726,068	297,594
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
<i>Committed for:</i>				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
<i>Total fund balances</i>	<u>48,600</u>	<u>1,209,763</u>	<u>3,726,068</u>	<u>297,594</u>
<i>Total liabilities, deferred inflows, and fund balances</i>	<u>\$ 48,600</u>	<u>\$ 1,411,488</u>	<u>\$ 3,731,053</u>	<u>\$ 297,594</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Senior Citizens Centers	Fire Excise Tax	Local DWI Program	Public Defenders Building	Clerk Recording & Filing
\$ 12,114	\$ 134,677	\$ 491,991	\$ 106,859	\$ 87,488
-	3,479,499	-	-	-
-	-	-	-	-
-	201,391	-	-	-
-	-	19,379	-	-
<u>\$ 12,114</u>	<u>\$ 3,815,567</u>	<u>\$ 511,370</u>	<u>\$ 106,859</u>	<u>\$ 87,488</u>
\$ 1,542	\$ 53,810	\$ 6,984	\$ 735	\$ -
-	-	23,342	-	-
-	-	-	-	-
<u>1,542</u>	<u>53,810</u>	<u>30,326</u>	<u>735</u>	<u>-</u>
-	-	9,485	-	-
-	-	-	-	-
-	-	9,485	-	-
-	3,761,757	-	106,124	87,488
-	-	-	-	-
-	-	471,559	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>10,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,572</u>	<u>3,761,757</u>	<u>471,559</u>	<u>106,124</u>	<u>87,488</u>
<u>\$ 12,114</u>	<u>\$ 3,815,567</u>	<u>\$ 511,370</u>	<u>\$ 106,859</u>	<u>\$ 87,488</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2014

Special Revenue

	Magistrate Court	Sheriff's Grants	Narcotic Drug Control & K-9 Drug Unit	Federal Office of Justice - Law Enforcement Grant
<i>Assets</i>				
Cash and cash equivalents	\$ 347,994	\$ 857,437	\$ 214,046	\$ 157,667
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables	27	140,744	-	-
<i>Total assets</i>	<u>\$ 348,021</u>	<u>\$ 998,181</u>	<u>\$ 214,046</u>	<u>\$ 157,667</u>
<i>Liabilities, deferred inflows, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 1,904	\$ 72,888	\$ -	\$ -
Accrued payroll	1,869	5,251	-	-
Due to other funds	-	44,510	-	-
<i>Total liabilities</i>	<u>3,773</u>	<u>122,649</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Deferred inflows- grants	-	35,417	-	-
Deferred inflows- property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>35,417</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	-	-	-
Fire departments	-	-	-	-
Public safety	344,248	840,115	214,046	157,667
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
<i>Committed for:</i>				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
<i>Total fund balances</i>	<u>344,248</u>	<u>840,115</u>	<u>214,046</u>	<u>157,667</u>
<i>Total liabilities, deferred inflows, and fund balances</i>	<u>\$ 348,021</u>	<u>\$ 998,181</u>	<u>\$ 214,046</u>	<u>\$ 157,667</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Law Enforcement Seizures	Adult Detention Fund	Emergency Management	Forest Reserve	JSAAC Center
\$ 9,445	\$ 124,257	\$ 849,384	\$ 325,575	\$ 339,237
-	-	-	-	-
-	-	-	-	-
-	166,577	-	-	-
-	224,993	213,442	49,750	105,444
<u>\$ 9,445</u>	<u>\$ 515,827</u>	<u>\$ 1,062,826</u>	<u>\$ 375,325</u>	<u>\$ 444,681</u>
\$ -	\$ 79,328	\$ 3,785	\$ -	\$ 5,873
-	133,931	7,984	-	19,009
-	-	-	-	-
-	213,259	11,769	-	24,882
-	11,205	145,285	8,250	88,398
-	-	-	-	-
-	11,205	145,285	8,250	88,398
-	-	-	367,075	-
-	-	-	-	-
9,445	291,363	905,772	-	331,401
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>9,445</u>	<u>291,363</u>	<u>905,772</u>	<u>367,075</u>	<u>331,401</u>
<u>\$ 9,445</u>	<u>\$ 515,827</u>	<u>\$ 1,062,826</u>	<u>\$ 375,325</u>	<u>\$ 444,681</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2014

	<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	\$ 50,553	\$ -	\$ -	\$ 430,897
Investments	-	2,444,149	4,178,781	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	119,010	296,734	-
Other receivables	67,221	7,673	-	-
<i>Total assets</i>	<u>\$ 117,774</u>	<u>\$ 2,570,832</u>	<u>\$ 4,475,515</u>	<u>\$ 430,897</u>
<i>Liabilities, deferred inflows, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 36,511	\$ -	\$ 1,438
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>36,511</u>	<u>-</u>	<u>1,438</u>
<i>Deferred inflows of resources</i>				
Deferred inflows- grants	67,221	7,674	-	-
Deferred inflows- property taxes	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>67,221</u>	<u>7,674</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	50,553	-	-	-
Fire departments	-	-	-	-
Public safety	-	2,526,647	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	-	4,475,515	429,459
Debt service expenditures	-	-	-	-
<i>Committed for:</i>				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
<i>Total fund balances</i>	<u>50,553</u>	<u>2,526,647</u>	<u>4,475,515</u>	<u>429,459</u>
<i>Total liabilities, deferred inflows, and fund balances</i>	<u>\$ 117,774</u>	<u>\$ 2,570,832</u>	<u>\$ 4,475,515</u>	<u>\$ 430,897</u>

The accompanying notes are an integral part of these financial statements

Capital Projects

CDBG/ Gamerico Water System Phase III	CDBG/Thoreau Wastewater	Infrastructure Gross Receipts	State Projects	Judicial Complex Construction
\$ 517,553	\$ -	\$ -	\$ 288,221	\$ 481,156
-	-	2,258,864	1,447,337	-
-	-	-	-	-
-	-	75,521	-	-
-	-	-	153,125	-
<u>\$ 517,553</u>	<u>\$ -</u>	<u>\$ 2,334,385</u>	<u>\$ 1,888,683</u>	<u>\$ 481,156</u>
\$ -	\$ -	\$ 30,811	\$ 46,318	\$ 178,477
-	-	-	-	-
-	-	-	-	-
-	-	30,811	46,318	178,477
-	-	-	153,125	-
-	-	-	-	-
-	-	-	153,125	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
517,553	-	2,303,574	1,689,240	302,679
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>517,553</u>	<u>-</u>	<u>2,303,574</u>	<u>1,689,240</u>	<u>302,679</u>
<u>\$ 517,553</u>	<u>\$ -</u>	<u>\$ 2,334,385</u>	<u>\$ 1,888,683</u>	<u>\$ 481,156</u>

STATE OF NEW MEXICO
 McKinley County
 Nonmajor Governmental Funds
 Combining Balance Sheet
 June 30, 2014

Debt Service

	General Obligation Bonds	General Revenue/Gross Receipts Tax Bonds/ Notes	Courthouse Project	Law Enforcement JDC Bonds
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 254,309
Investments	-	-	-	448,266
Receivables:				
Property taxes	2,846	-	-	-
Other taxes	-	-	-	179,300
Other receivables	-	-	-	-
<i>Total assets</i>	<u>\$ 2,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 881,875</u>
<i>Liabilities, deferred inflows, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deferred inflows of resources</i>				
Deferred inflows- grants	-	-	-	-
Deferred inflows- property taxes	1,729	-	-	-
<i>Total deferred inflows of resources</i>	<u>1,729</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
<i>Spendable</i>				
<i>Restricted for:</i>				
General county operations	-	-	-	-
Fire departments	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	1,117	-	-	881,875
<i>Committed for:</i>				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
<i>Total fund balances</i>	<u>1,117</u>	<u>-</u>	<u>-</u>	<u>881,875</u>
<i>Total liabilities, deferred inflows, and fund balances</i>	<u>\$ 2,846</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 881,875</u>

The accompanying notes are an integral part of these financial statements

<u>Debt Service</u>	
Judicial Complex	Total Nonmajor Governmental Funds
\$ 535,794	\$ 8,729,269
-	23,772,227
-	2,846
93,400	1,665,649
-	1,207,818
<u>\$ 629,194</u>	<u>\$ 35,377,809</u>
\$ -	\$ 996,708
-	312,625
-	44,510
<u>-</u>	<u>1,353,843</u>
-	587,502
-	1,729
<u>-</u>	<u>589,231</u>
-	7,188,674
-	1,557,036
-	7,039,997
-	5,244,198
-	9,718,020
629,194	1,512,186
-	1,164,052
-	10,572
<u>629,194</u>	<u>33,434,735</u>
<u>\$ 629,194</u>	<u>\$ 35,377,809</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, 2014

	Special Revenue			
	Correction Fees	Environmental Gross Receipts Taxes	Property Valuation	Hazardous Material Support Services
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	459,093	653,259	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Charges for services	512,761	-	239,033	-
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	(710)	(2,348)	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>971,144</u>	<u>650,911</u>	<u>239,033</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	602,428	194,819	-
Public safety	828,118	-	-	8,155
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>828,118</u>	<u>602,428</u>	<u>194,819</u>	<u>8,155</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>143,026</u>	<u>48,483</u>	<u>44,214</u>	<u>(8,155)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of equipment	-	-	-	-
Transfers in	162,032	-	7,343	-
Transfers (out)	-	(17,554)	-	-
<i>Total other financing sources (uses)</i>	<u>162,032</u>	<u>(17,554)</u>	<u>7,343</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>305,058</u>	<u>30,929</u>	<u>51,557</u>	<u>(8,155)</u>
<i>Fund balances - beginning of year</i>	858,994	2,329,481	333,653	52,948
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - as restated</i>	<u>858,994</u>	<u>2,329,481</u>	<u>333,653</u>	<u>52,948</u>
<i>Fund balances - end of year</i>	<u>\$ 1,164,052</u>	<u>\$ 2,360,410</u>	<u>\$ 385,210</u>	<u>\$ 44,793</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

EMS	E911 Metro Dispatch	Farm & Range	Fire Protection District	Highway Beautification Grant
\$ -	\$ -	\$ -	\$ -	\$ -
-	1,393,050	-	-	-
-	-	-	-	-
-	-	11,807	-	-
183,688	7,991	-	1,264,283	3,500
58,354	1,375	-	-	-
-	-	-	-	-
-	-	-	(1,534)	-
209	-	-	5,568	-
<u>242,251</u>	<u>1,402,416</u>	<u>11,807</u>	<u>1,268,317</u>	<u>3,500</u>
-	-	-	-	7,496
829,463	1,701,032	-	1,039,610	-
-	-	-	-	-
-	-	17,802	-	-
-	68,997	-	621,694	-
-	-	-	-	-
-	-	-	-	-
<u>829,463</u>	<u>1,770,029</u>	<u>17,802</u>	<u>1,661,304</u>	<u>7,496</u>
<u>(587,212)</u>	<u>(367,613)</u>	<u>(5,995)</u>	<u>(392,987)</u>	<u>(3,996)</u>
-	-	-	-	-
783,720	192,376	7,100	-	7,000
-	(1,000,000)	-	-	-
<u>783,720</u>	<u>(807,624)</u>	<u>7,100</u>	<u>-</u>	<u>7,000</u>
<u>196,508</u>	<u>(1,175,237)</u>	<u>1,105</u>	<u>(392,987)</u>	<u>3,004</u>
206,320	1,671,543	9,668	1,950,023	22,260
-	-	-	-	-
<u>206,320</u>	<u>1,671,543</u>	<u>9,668</u>	<u>1,950,023</u>	<u>22,260</u>
<u>\$ 402,828</u>	<u>\$ 496,306</u>	<u>\$ 10,773</u>	<u>\$ 1,557,036</u>	<u>\$ 25,264</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, 2014

Special Revenue

	Law Enforcement Protection	Liquor Excise Tax	Emergency Communication & Medical	Community Health Improvement
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	1,668,211	-
Other	-	1,159,648	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	98,400	-	-	171,755
Charges for services	-	-	-	-
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	90,965	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>98,400</u>	<u>1,159,648</u>	<u>1,759,176</u>	<u>171,755</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	43,005	-	-	-
Public works	-	-	-	-
Health and welfare	-	1,311,725	646,065	224,161
Capital outlay	7,000	-	428,725	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>50,005</u>	<u>1,311,725</u>	<u>1,074,790</u>	<u>224,161</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>48,395</u>	<u>(152,077)</u>	<u>684,386</u>	<u>(52,406)</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	1,000,000	350,000
Transfers (out)	-	-	(656,000)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>344,000</u>	<u>350,000</u>
<i>Net change in fund balances</i>	<u>48,395</u>	<u>(152,077)</u>	<u>1,028,386</u>	<u>297,594</u>
<i>Fund balances - beginning of year</i>	205	1,361,840	2,697,682	-
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - as restated</i>	<u>205</u>	<u>1,361,840</u>	<u>2,697,682</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 48,600</u>	<u>\$ 1,209,763</u>	<u>\$ 3,726,068</u>	<u>\$ 297,594</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Senior Citizens Centers	Fire Excise Tax	Local DWI Program	Public Defenders Building	Clerk Recording & Filing
\$ -	\$ -	\$ -	\$ -	\$ -
-	1,300,165	-	-	-
-	-	-	-	-
-	-	-	-	-
-	10,000	803,708	-	-
-	-	110,553	68,054	11,896
-	-	-	-	-
-	68,005	-	-	-
119	-	21	-	-
<u>119</u>	<u>1,378,170</u>	<u>914,282</u>	<u>68,054</u>	<u>11,896</u>
-	395,072	-	21,491	33,604
-	-	-	-	-
-	-	-	-	-
37,131	-	838,476	-	-
-	1,265,338	7,300	-	-
-	-	-	-	-
-	-	-	-	-
<u>37,131</u>	<u>1,660,410</u>	<u>845,776</u>	<u>21,491</u>	<u>33,604</u>
<u>(37,012)</u>	<u>(282,240)</u>	<u>68,506</u>	<u>46,563</u>	<u>(21,708)</u>
-	-	-	-	-
37,000	-	44,382	59,561	-
-	-	-	-	-
<u>37,000</u>	<u>-</u>	<u>44,382</u>	<u>59,561</u>	<u>-</u>
<u>(12)</u>	<u>(282,240)</u>	<u>112,888</u>	<u>106,124</u>	<u>(21,708)</u>
10,584	4,043,997	358,671	-	109,196
-	-	-	-	-
<u>10,584</u>	<u>4,043,997</u>	<u>358,671</u>	<u>-</u>	<u>109,196</u>
<u>\$ 10,572</u>	<u>\$ 3,761,757</u>	<u>\$ 471,559</u>	<u>\$ 106,124</u>	<u>\$ 87,488</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, 2014

	Special Revenue			
	Magistrate Court	Sheriff's Grants	Narcotic Drug Control & K-9 Drug Unit	Federal Office of Justice - Law Enforcement Grant
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	9,385	-	4,725
State operating grants	133,438	417,840	-	-
Charges for services	-	-	83,677	-
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	133,438	427,225	83,677	4,725
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	123,280	467,323	27,168	16,109
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	123,280	467,323	27,168	16,109
<i>Excess (deficiency) of revenues over expenditures</i>	10,158	(40,098)	56,509	(11,384)
<i>Other financing sources (uses)</i>				
Proceeds from sale of equipment	-	-	1,700	-
Transfers in	8,180	-	35,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	8,180	-	36,700	-
<i>Net change in fund balances</i>	18,338	(40,098)	93,209	(11,384)
<i>Fund balances - beginning of year</i>	325,910	880,213	120,837	169,051
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - as restated</i>	325,910	880,213	120,837	169,051
<i>Fund balances - end of year</i>	\$ 344,248	\$ 840,115	\$ 214,046	\$ 157,667

The accompanying notes are an integral part of these financial statements

Special Revenue

Law Enforcement Seizures	Adult Detention Fund	Emergency Management	Forest Reserve	JSAAC Center
\$ -	\$ -	\$ -	\$ -	\$ -
-	1,071,216	-	-	-
-	-	-	-	-
-	-	252,108	57,806	253,228
-	-	-	-	164,110
-	1,988,741	-	-	-
-	-	-	-	-
-	-	-	-	-
-	12,778	462	-	3,898
-	<u>3,072,735</u>	<u>252,570</u>	<u>57,806</u>	<u>421,236</u>
-	-	-	38,556	-
-	3,724,185	497,620	-	628,144
-	-	-	-	-
-	-	-	-	-
-	-	89,506	-	-
-	-	-	-	-
-	-	-	-	-
-	<u>3,724,185</u>	<u>587,126</u>	<u>38,556</u>	<u>628,144</u>
-	<u>(651,450)</u>	<u>(334,556)</u>	<u>19,250</u>	<u>(206,908)</u>
-	-	-	-	-
-	532,286	597,295	303,300	200,021
-	-	-	-	-
-	<u>532,286</u>	<u>597,295</u>	<u>303,300</u>	<u>200,021</u>
-	<u>(119,164)</u>	<u>262,739</u>	<u>322,550</u>	<u>(6,887)</u>
9,445	410,527	643,033	44,525	338,288
-	-	-	-	-
<u>9,445</u>	<u>410,527</u>	<u>643,033</u>	<u>44,525</u>	<u>338,288</u>
<u>\$ 9,445</u>	<u>\$ 291,363</u>	<u>\$ 905,772</u>	<u>\$ 367,075</u>	<u>\$ 331,401</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, 2014

	Special Revenue		Capital Projects	
	CDBG Planning	Rural Public Safety	Capital Projects	Federal Grants
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	765,363	1,985,635	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	51,911
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	171	-	-	-
Net increase (decrease) in the fair value of investments	-	22,741	-	-
Miscellaneous	-	99	-	-
<i>Total revenues</i>	171	788,203	1,985,635	51,911
<i>Expenditures:</i>				
Current:				
General government	-	-	1,327,485	101,183
Public safety	-	215,972	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	273,930	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	-	489,902	1,327,485	101,183
<i>Excess (deficiency) of revenues over expenditures</i>	171	298,301	658,150	(49,272)
<i>Other financing sources (uses)</i>				
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	-	31,416	-
Transfers (out)	-	(528,435)	(1,250,000)	-
<i>Total other financing sources (uses)</i>	-	(528,435)	(1,218,584)	-
<i>Net change in fund balances</i>	171	(230,134)	(560,434)	(49,272)
<i>Fund balances - beginning of year</i>	50,382	2,756,781	5,035,949	478,731
<i>Fund balances - restatement</i>	-	-	-	-
<i>Fund balances - as restated</i>	50,382	2,756,781	5,035,949	478,731
<i>Fund balances - end of year</i>	\$ 50,553	\$ 2,526,647	\$ 4,475,515	\$ 429,459

The accompanying notes are an integral part of these financial statements

Capital Projects

CDBG/ Gamerico Water System Phase III	CDBG/Thoreau Wastewater	Infrastructure Gross Receipts	State Projects	Judicial Complex Construction
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	491,842	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	836,945	-
-	-	-	-	249,115
-	-	-	-	-
-	-	17,150	(37,663)	-
-	-	-	-	-
-	-	<u>508,992</u>	<u>799,282</u>	<u>249,115</u>
-	-	-	779,663	-
-	-	-	-	-
-	-	166,461	-	-
-	-	-	-	-
-	-	90,948	39,414	2,495,056
-	-	-	-	-
-	-	-	-	-
-	-	<u>257,409</u>	<u>819,077</u>	<u>2,495,056</u>
-	-	<u>251,583</u>	<u>(19,795)</u>	<u>(2,245,941)</u>
-	-	-	-	-
517,554	-	-	-	750,000
(1)	(500,000)	-	(650,000)	-
<u>517,553</u>	<u>(500,000)</u>	<u>-</u>	<u>(650,000)</u>	<u>750,000</u>
<u>517,553</u>	<u>(500,000)</u>	<u>251,583</u>	<u>(669,795)</u>	<u>(1,495,941)</u>
-	500,000	2,051,991	2,359,035	1,798,620
-	-	-	-	-
-	500,000	2,051,991	2,359,035	1,798,620
<u>\$ 517,553</u>	<u>\$ -</u>	<u>\$ 2,303,574</u>	<u>\$ 1,689,240</u>	<u>\$ 302,679</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, 2014

Debt Service

	General Obligation Bonds	General Revenue/Gross Receipts Tax Bonds/ Notes	Courthouse Project	Law Enforcement JDC Bonds
<i>Revenues:</i>				
Taxes:				
Property	\$ 783	\$ -	\$ -	\$ -
Gross receipts	-	-	-	1,075,800
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>783</u>	<u>-</u>	<u>-</u>	<u>1,075,800</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	290,000
Interest	-	-	-	409,944
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>699,944</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>783</u>	<u>-</u>	<u>-</u>	<u>375,856</u>
<i>Other financing sources (uses)</i>				
Proceeds from sale of equipment	-	-	-	-
Transfers in	-	9,114	-	-
Transfers (out)	(566)	(143,761)	(1,297,018)	-
<i>Total other financing sources (uses)</i>	<u>(566)</u>	<u>(134,647)</u>	<u>(1,297,018)</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>217</u>	<u>(134,647)</u>	<u>(1,297,018)</u>	<u>375,856</u>
<i>Fund balances - beginning of year</i>	900	134,647	1,966,060	506,019
<i>Fund balances - restatement</i>	-	-	(669,042)	-
<i>Fund balances - as restated</i>	<u>900</u>	<u>134,647</u>	<u>1,297,018</u>	<u>506,019</u>
<i>Fund balances - end of year</i>	<u>\$ 1,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 881,875</u>

The accompanying notes are an integral part of these financial statements

<u>Debt Service</u>	
<u>Judicial Complex</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 783
560,400	11,424,034
-	1,159,648
-	640,970
-	4,095,658
-	3,323,559
-	171
-	156,606
341,416	364,570
<u>901,816</u>	<u>21,165,999</u>
-	3,501,797
-	10,149,184
-	166,461
-	3,075,360
-	5,387,908
250,000	540,000
233,150	643,094
<u>483,150</u>	<u>23,463,804</u>
<u>418,666</u>	<u>(2,297,805)</u>
-	1,700
-	5,634,680
-	(6,043,335)
-	(406,955)
<u>418,666</u>	<u>(2,704,760)</u>
210,528	36,808,537
-	(669,042)
<u>210,528</u>	<u>36,139,495</u>
<u>\$ 629,194</u>	<u>\$ 33,434,735</u>

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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	490,000	490,000	462,595	(27,405)
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	501,000	501,000	570,878	69,878
Net increase (decrease) in the fair value of investments	-	-	(710)	(710)
Miscellaneous	300	300	-	(300)
<i>Total revenues</i>	<u>991,300</u>	<u>991,300</u>	<u>1,032,763</u>	<u>41,463</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,166,446	1,331,392	819,549	511,843
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,166,446</u>	<u>1,331,392</u>	<u>819,549</u>	<u>511,843</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(175,146)</u>	<u>(340,092)</u>	<u>213,214</u>	<u>553,306</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	175,146	178,060	-	(178,060)
Transfers in	-	162,032	162,032	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>175,146</u>	<u>340,092</u>	<u>162,032</u>	<u>(178,060)</u>
<i>Net change in fund balance</i>	-	-	375,246	375,246
<i>Fund balance - beginning of year</i>	-	-	738,439	738,439
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,113,685</u>	<u>\$ 1,113,685</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 375,246
Adjustments to revenues for gross receipts taxes and charges for service				(61,619)
Adjustments to expenditures for personnel services and repairs and maintenance				(8,569)
Net change in fund balance (GAAP)				<u>\$ 305,058</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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	550,000	550,000	653,809	103,809
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>550,000</u>	<u>550,000</u>	<u>651,461</u>	<u>101,461</u>
<i>Expenditures:</i>				
Current:				
General government	975,000	975,000	538,462	436,538
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>975,000</u>	<u>975,000</u>	<u>538,462</u>	<u>436,538</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(425,000)</u>	<u>(425,000)</u>	<u>112,999</u>	<u>537,999</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	452,554	552,554	-	(552,554)
Transfers in	-	-	-	-
Transfers (out)	(27,554)	(127,554)	(17,554)	110,000
<i>Total other financing sources (uses)</i>	<u>425,000</u>	<u>425,000</u>	<u>(17,554)</u>	<u>(442,554)</u>
<i>Net change in fund balance</i>	-	-	95,445	95,445
<i>Fund balance - beginning of year</i>	-	-	2,394,951	2,394,951
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,490,396</u>	<u>\$ 2,490,396</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 95,445
Adjustments to revenues for gross receipts taxes				(550)
Adjustments to expenditures for other county agencies				(63,966)
Net change in fund balance (GAAP)				<u>\$ 30,929</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, 2014

	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	210,000	210,000	239,033	29,033
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>210,000</u>	<u>210,000</u>	<u>239,033</u>	<u>29,033</u>
<i>Expenditures:</i>				
Current:				
General government	250,258	257,664	191,680	65,984
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>250,258</u>	<u>257,664</u>	<u>191,680</u>	<u>65,984</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(40,258)</u>	<u>(47,664)</u>	<u>47,353</u>	<u>95,017</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	40,258	40,321	-	(40,321)
Transfers in	-	7,343	7,343	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>40,258</u>	<u>47,664</u>	<u>7,343</u>	<u>(40,321)</u>
<i>Net change in fund balance</i>	-	-	54,696	54,696
<i>Fund balance - beginning of year</i>	-	-	339,046	339,046
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 393,742</u>	<u>\$ 393,742</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 54,696
No adjustments to revenues				-
Adjustments to expenditures for non capital equipment				(3,139)
Net change in fund balance (GAAP)				<u>\$ 51,557</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-4

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, 2014

	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	19,462	19,462	8,538	10,924
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>19,462</u>	<u>19,462</u>	<u>8,538</u>	<u>10,924</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(19,462)</u>	<u>(19,462)</u>	<u>(8,538)</u>	<u>10,924</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	19,462	19,462	-	(19,462)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>19,462</u>	<u>19,462</u>	<u>-</u>	<u>(19,462)</u>
<i>Net change in fund balance</i>	-	-	(8,538)	(8,538)
<i>Fund balance - beginning of year</i>	-	-	53,331	53,331
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,793</u>	<u>\$ 44,793</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (8,538)
No adjustments to revenues				-
Adjustments to expenditures for non capital equipment				383
Net change in fund balance (GAAP)				<u>\$ (8,155)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

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, 2014

	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	148,679	148,679	182,980	34,301
State capital grants	-	-	-	-
Charges for services	91,000	91,000	63,081	(27,919)
Miscellaneous	1,000	1,000	209	(791)
<i>Total revenues</i>	<u>240,679</u>	<u>240,679</u>	<u>246,270</u>	<u>5,591</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	904,943	1,117,973	825,142	292,831
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>904,943</u>	<u>1,117,973</u>	<u>825,142</u>	<u>292,831</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(664,264)</u>	<u>(877,294)</u>	<u>(578,872)</u>	<u>298,422</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	8,264	93,574	-	(93,574)
Transfers in	656,000	783,720	783,720	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>664,264</u>	<u>877,294</u>	<u>783,720</u>	<u>(93,574)</u>
<i>Net change in fund balance</i>	-	-	204,848	204,848
<i>Fund balance - beginning of year</i>	-	-	267,878	267,878
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472,726</u>	<u>\$ 472,726</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 204,848
Adjustments to revenue for state operating grants and charges for service				(4,019)
Adjustments to expenditures for supplies, equipment, and other expenditures				(4,321)
Net change in fund balance (GAAP)				<u>\$ 196,508</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

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, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	2,100,000	2,100,000	1,725,652	(374,348)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	25,100	25,100	26,037	937
State capital grants	-	-	-	-
Charges for services	1,000	1,000	1,375	375
Miscellaneous	100	100	-	(100)
<i>Total revenues</i>	<u>2,126,200</u>	<u>2,126,200</u>	<u>1,753,064</u>	<u>(373,136)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	2,281,028	2,194,622	1,719,737	474,885
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	100,000	95,000	63,553	31,447
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,381,028</u>	<u>2,289,622</u>	<u>1,783,290</u>	<u>506,332</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(254,828)</u>	<u>(163,422)</u>	<u>(30,226)</u>	<u>133,196</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	254,828	971,046	-	(971,046)
Transfers in	-	192,376	192,376	-
Transfers (out)	-	(1,000,000)	(1,000,000)	-
<i>Total other financing sources (uses)</i>	<u>254,828</u>	<u>163,422</u>	<u>(807,624)</u>	<u>(971,046)</u>
<i>Net change in fund balance</i>	-	-	(837,850)	(837,850)
<i>Fund balance - beginning of year</i>	-	-	1,388,836	1,388,836
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 550,986</u>	<u>\$ 550,986</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (837,850)
Adjustments to revenues for gross receipts and state operating grants				(350,648)
Adjustments to expenditures for repairs and maintenance and professional services				13,261
Net change in fund balance (GAAP)				<u>\$ (1,175,237)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-7

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, 2014

	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	11,807	(1,593)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13,400</u>	<u>13,400</u>	<u>11,807</u>	<u>(1,593)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	20,500	20,500	17,802	2,698
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,500</u>	<u>20,500</u>	<u>17,802</u>	<u>2,698</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,100)</u>	<u>(7,100)</u>	<u>(5,995)</u>	<u>1,105</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	7,100	7,100	7,100	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,100</u>	<u>7,100</u>	<u>7,100</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	1,105	1,105
<i>Fund balance - beginning of year</i>	-	-	9,668	9,668
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,773</u>	<u>\$ 10,773</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 1,105
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 1,105</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	1,264,274	1,264,274	1,264,283	9
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	(1,534)	(1,534)
Miscellaneous	-	-	341	341
<i>Total revenues</i>	<u>1,264,274</u>	<u>1,264,274</u>	<u>1,263,090</u>	<u>(1,184)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,928,800	2,058,640	1,640,186	418,454
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	135,000	135,000	75,000	60,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,063,800</u>	<u>2,193,640</u>	<u>1,715,186</u>	<u>478,454</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(799,526)</u>	<u>(929,366)</u>	<u>(452,096)</u>	<u>477,270</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	799,526	929,366	-	(929,366)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>799,526</u>	<u>929,366</u>	<u>-</u>	<u>(929,366)</u>
<i>Net change in fund balance</i>	-	-	(452,096)	(452,096)
<i>Fund balance - beginning of year</i>	-	-	2,054,283	2,054,283
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,602,187</u>	<u>\$ 1,602,187</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (452,096)
Adjustments to revenues for state operating grants				5,227
Adjustments to expenditures for repairs and maintenance and capital outlay				53,882
Net change in fund balance (GAAP)				<u>\$ (392,987)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

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, 2014

	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	5,000	5,000	-	(5,000)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	11,907	11,907	7,496	4,411
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,907</u>	<u>11,907</u>	<u>7,496</u>	<u>4,411</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,907)</u>	<u>(6,907)</u>	<u>(7,496)</u>	<u>(589)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(93)	(93)	-	93
Transfers in	7,000	7,000	7,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,907</u>	<u>6,907</u>	<u>7,000</u>	<u>93</u>
<i>Net change in fund balance</i>	-	-	(496)	(496)
<i>Fund balance - beginning of year</i>	-	-	22,260	22,260
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,764</u>	<u>\$ 21,764</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (496)
Adjustments to revenues for state operating grants				3,500
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 3,004</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-10

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, 2014

	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	49,800	49,800	49,800	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>49,800</u>	<u>49,800</u>	<u>49,800</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	49,800	50,005	50,005	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>49,800</u>	<u>50,005</u>	<u>50,005</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(205)</u>	<u>(205)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	205	-	(205)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>205</u>	<u>-</u>	<u>(205)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(205)</u>	<u>(205)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>205</u>	<u>205</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)				\$ (205)
Adjustments to revenues for state operating grants				48,600
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 48,395</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-11

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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	1,100,000	1,100,000	1,159,648	59,648
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>1,159,648</u>	<u>59,648</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,100,000	1,270,000	1,110,000	160,000
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,100,000</u>	<u>1,270,000</u>	<u>1,110,000</u>	<u>160,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(170,000)</u>	<u>49,648</u>	<u>219,648</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	170,000	-	(170,000)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>(170,000)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>49,648</u>	<u>49,648</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,361,840</u>	<u>1,361,840</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,411,488</u>	<u>\$ 1,411,488</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 49,648
No adjustments to revenues				-
Adjustments to expenditures for health services				(201,725)
Net change in fund balance (GAAP)				<u>\$ (152,077)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-12

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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,002,000	1,002,000	1,359,006	357,006
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	100	100	-	(100)
<i>Total revenues</i>	<u>1,002,100</u>	<u>1,002,100</u>	<u>1,449,971</u>	<u>447,871</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	266,300	1,521,287	654,480	866,807
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	512,000	549,300	428,725	120,575
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>778,300</u>	<u>2,070,587</u>	<u>1,083,205</u>	<u>987,382</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>223,800</u>	<u>(1,068,487)</u>	<u>366,766</u>	<u>1,435,253</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	432,200	724,487	-	(724,487)
Transfers in	-	1,000,000	1,000,000	-
Transfers (out)	(656,000)	(656,000)	(656,000)	-
<i>Total other financing sources (uses)</i>	<u>(223,800)</u>	<u>1,068,487</u>	<u>344,000</u>	<u>(724,487)</u>
<i>Net change in fund balance</i>	-	-	710,766	710,766
<i>Fund balance - beginning of year</i>	-	-	2,544,281	2,544,281
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,255,047</u>	<u>\$ 3,255,047</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 710,766
Adjustments to revenues for gross receipts taxes				309,205
Adjustments to expenditures for professional services				8,415
Net change in fund balance (GAAP)				<u>\$ 1,028,386</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-13

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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	65,000	65,000	-	(65,000)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	140,000	288,361	134,520	(153,841)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>345,000</u>	<u>641,722</u>	<u>134,520</u>	<u>(507,202)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	205,000	353,361	224,161	129,200
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>205,000</u>	<u>353,361</u>	<u>224,161</u>	<u>129,200</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>140,000</u>	<u>288,361</u>	<u>(89,641)</u>	<u>(378,002)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(490,000)	(638,361)	-	638,361
Transfers in	350,000	350,000	350,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(140,000)</u>	<u>(288,361)</u>	<u>350,000</u>	<u>638,361</u>
<i>Net change in fund balance</i>	-	-	260,359	260,359
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,359</u>	<u>\$ 260,359</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 260,359
Adjustments to revenues for state operating grants				37,235
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 297,594</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-14

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, 2014

	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	119	(81)
<i>Total revenues</i>	<u>200</u>	<u>200</u>	<u>119</u>	<u>(81)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	39,510	39,810	36,143	3,667
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>39,510</u>	<u>39,810</u>	<u>36,143</u>	<u>3,667</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(39,310)</u>	<u>(39,610)</u>	<u>(36,024)</u>	<u>3,586</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,310	2,610	-	(2,610)
Transfers in	37,000	37,000	37,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>39,310</u>	<u>39,610</u>	<u>37,000</u>	<u>(2,610)</u>
<i>Net change in fund balance</i>	-	-	976	976
<i>Fund balance - beginning of year</i>	-	-	11,138	11,138
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,114</u>	<u>\$ 12,114</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 976
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance				(988)
Net change in fund balance (GAAP)				<u>\$ (12)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-15

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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,177,065	1,177,065	1,298,207	121,142
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	10,000	10,000
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,177,065</u>	<u>1,177,065</u>	<u>1,376,212</u>	<u>199,147</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	749,245	764,291	464,112	300,179
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,510,000	1,659,959	1,152,032	507,927
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,259,245</u>	<u>2,424,250</u>	<u>1,616,144</u>	<u>808,106</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,082,180)</u>	<u>(1,247,185)</u>	<u>(239,932)</u>	<u>1,007,253</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,082,180	1,247,185	-	(1,247,185)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,082,180</u>	<u>1,247,185</u>	<u>-</u>	<u>(1,247,185)</u>
<i>Net change in fund balance</i>	-	-	(239,932)	(239,932)
<i>Fund balance - beginning of year</i>	-	-	3,854,108	3,854,108
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,614,176</u>	<u>\$ 3,614,176</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (239,932)
Adjustments to revenues for gross receipts taxes				1,958
Adjustments to expenditures for repairs and maintenance and capital outlay				(44,266)
Net change in fund balance (GAAP)				<u>\$ (282,240)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-16

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, 2014

	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	815,122	837,349	883,224	45,875
State capital grants	-	-	-	-
Charges for services	6,600	6,600	110,553	103,953
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>821,722</u>	<u>843,949</u>	<u>993,777</u>	<u>149,828</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	925,135	1,004,253	851,323	152,930
Capital outlay	-	7,300	7,300	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>925,135</u>	<u>1,011,553</u>	<u>858,623</u>	<u>152,930</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(103,413)</u>	<u>(167,604)</u>	<u>135,154</u>	<u>302,758</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	103,413	123,222	-	(123,222)
Transfers in	-	44,382	44,382	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>103,413</u>	<u>167,604</u>	<u>44,382</u>	<u>(123,222)</u>
<i>Net change in fund balance</i>	-	-	179,536	179,536
<i>Fund balance - beginning of year</i>	-	-	312,455	312,455
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491,991</u>	<u>\$ 491,991</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 179,536
Adjustments to revenues for state operating grants				(79,495)
Adjustments to expenditures for repairs and maintenance				12,847
Net change in fund balance (GAAP)				<u>\$ 112,888</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-17

McKinley County

Public Defenders Building 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, 2014

	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	-	65,000	68,054	3,054
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>65,000</u>	<u>68,054</u>	<u>3,054</u>
<i>Expenditures:</i>				
Current:				
General government	-	65,189	20,756	44,433
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>65,189</u>	<u>20,756</u>	<u>44,433</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(189)</u>	<u>47,298</u>	<u>47,487</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(59,372)	-	59,372
Transfers in	-	59,561	59,561	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>189</u>	<u>59,561</u>	<u>59,372</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>106,859</u>	<u>106,859</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>\$ 106,859</u>	<u>\$ 106,859</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 106,859
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance				(735)
Net change in fund balance (GAAP)				<u>\$ 106,124</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-18

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, 2014

	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	11,000	11,000	11,896	896
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>11,000</u>	<u>11,000</u>	<u>11,896</u>	<u>896</u>
<i>Expenditures:</i>				
Current:				
General government	42,000	42,000	33,604	8,396
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>42,000</u>	<u>42,000</u>	<u>33,604</u>	<u>8,396</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(31,000)</u>	<u>(31,000)</u>	<u>(21,708)</u>	<u>9,292</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	31,000	31,000	-	(31,000)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>31,000</u>	<u>31,000</u>	<u>-</u>	<u>(31,000)</u>
<i>Net change in fund balance</i>	-	-	(21,708)	(21,708)
<i>Fund balance - beginning of year</i>	-	-	109,196	109,196
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,488</u>	<u>\$ 87,488</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (21,708)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (21,708)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-19

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, 2014

	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	125,000	125,000	133,438	8,438
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>125,000</u>	<u>125,000</u>	<u>133,438</u>	<u>8,438</u>
<i>Expenditures:</i>				
Current:				
General government	124,711	132,890	121,186	11,704
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>124,711</u>	<u>132,890</u>	<u>121,186</u>	<u>11,704</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>289</u>	<u>(7,890)</u>	<u>12,252</u>	<u>20,142</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(289)	(290)	-	290
Transfers in	-	8,180	8,180	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(289)</u>	<u>7,890</u>	<u>8,180</u>	<u>290</u>
<i>Net change in fund balance</i>	-	-	20,432	20,432
<i>Fund balance - beginning of year</i>	-	-	327,562	327,562
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347,994</u>	<u>\$ 347,994</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 20,432
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance				(2,094)
Net change in fund balance (GAAP)				<u>\$ 18,338</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-20

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, 2014

	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	-	-	13,639	13,639
State operating grants	639,761	639,761	446,417	(193,344)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>639,761</u>	<u>639,761</u>	<u>460,056</u>	<u>(179,705)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	735,708	735,708	431,912	303,796
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>735,708</u>	<u>735,708</u>	<u>431,912</u>	<u>303,796</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(95,947)</u>	<u>(95,947)</u>	<u>28,144</u>	<u>124,091</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	95,947	95,947	-	(95,947)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>95,947</u>	<u>95,947</u>	<u>-</u>	<u>(95,947)</u>
<i>Net change in fund balance</i>	-	-	28,144	28,144
<i>Fund balance - beginning of year</i>	-	-	784,783	784,783
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 812,927</u>	<u>\$ 812,927</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 28,144
Adjustments to revenues for state and federal operating grants				(32,831)
Adjustments to expenditures for contract services				(35,411)
Net change in fund balance (GAAP)				<u>\$ (40,098)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-21

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, 2014

	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	-	-	83,677	83,677
Miscellaneous	1,500	1,500	-	(1,500)
<i>Total revenues</i>	<u>1,500</u>	<u>1,500</u>	<u>83,677</u>	<u>82,177</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	48,400	48,400	27,168	21,232
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>48,400</u>	<u>48,400</u>	<u>27,168</u>	<u>21,232</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(46,900)</u>	<u>(46,900)</u>	<u>56,509</u>	<u>103,409</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	11,900	11,900	-	(11,900)
Transfers in	35,000	35,000	35,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>46,900</u>	<u>46,900</u>	<u>36,700</u>	<u>(10,200)</u>
<i>Net change in fund balance</i>	-	-	93,209	93,209
<i>Fund balance - beginning of year</i>	-	-	120,837	120,837
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214,046</u>	<u>\$ 214,046</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 93,209
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 93,209</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-22

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, 2014

	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	52,218	52,218	4,725	(47,493)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>83,953</u>	<u>83,953</u>	<u>20,518</u>	<u>(63,435)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	48,160	48,160	16,109	32,051
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>48,160</u>	<u>48,160</u>	<u>16,109</u>	<u>32,051</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>35,793</u>	<u>35,793</u>	<u>4,409</u>	<u>(31,384)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(35,793)	(35,793)	-	35,793
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(35,793)</u>	<u>(35,793)</u>	<u>-</u>	<u>35,793</u>
<i>Net change in fund balance</i>	-	-	4,409	4,409
<i>Fund balance - beginning of year</i>	-	-	153,258	153,258
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,667</u>	<u>\$ 157,667</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 4,409
Adjustments to revenues for federal operating grants				(15,793)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (11,384)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-23

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, 2014

	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-24

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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,050,000	1,050,000	1,079,388	29,388
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	2,766,400	2,766,400	2,539,637	(226,763)
Miscellaneous	11,500	11,500	15,347	3,847
<i>Total revenues</i>	<u>3,827,900</u>	<u>3,827,900</u>	<u>3,634,372</u>	<u>(193,528)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	3,772,530	4,339,942	3,706,365	633,577
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,772,530</u>	<u>4,339,942</u>	<u>3,706,365</u>	<u>633,577</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>55,370</u>	<u>(512,042)</u>	<u>(71,993)</u>	<u>440,049</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(55,370)	(20,244)	-	20,244
Transfers in	-	532,286	532,286	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(55,370)</u>	<u>512,042</u>	<u>532,286</u>	<u>20,244</u>
<i>Net change in fund balance</i>	-	-	460,293	460,293
<i>Fund balance - beginning of year</i>	-	-	(336,036)	(336,036)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,257</u>	<u>\$ 124,257</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 460,293
Adjustments to revenues for gross receipts and charges for service				(561,637)
Adjustments to expenditures for public safety				(17,820)
Net change in fund balance (GAAP)				<u>\$ (119,164)</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, 2014

	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	1,903,559	1,909,701	213,674	(1,696,027)
State operating grants	-	100,195	-	(100,195)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	50	50	462	412
<i>Total revenues</i>	<u>1,903,609</u>	<u>2,009,946</u>	<u>214,136</u>	<u>(1,795,810)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	2,259,411	2,429,630	530,725	1,898,905
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	64,323	64,302	21
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,259,411</u>	<u>2,493,953</u>	<u>595,027</u>	<u>1,898,926</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(355,802)</u>	<u>(484,007)</u>	<u>(380,891)</u>	<u>103,116</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(229,433)	(113,288)	-	113,288
Transfers in	585,235	597,295	597,295	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>355,802</u>	<u>484,007</u>	<u>597,295</u>	<u>113,288</u>
<i>Net change in fund balance</i>	-	-	216,404	216,404
<i>Fund balance - beginning of year</i>	-	-	632,980	632,980
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 849,384</u>	<u>\$ 849,384</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 216,404
Adjustments to revenues for federal operating grants				38,434
Adjustments to expenditures for equipment				7,901
Net change in fund balance (GAAP)				<u>\$ 262,739</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, 2014

	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	151,583	164,746	16,306	(148,440)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>151,583</u>	<u>164,746</u>	<u>16,306</u>	<u>(148,440)</u>
<i>Expenditures:</i>				
Current:				
General government	151,583	164,746	38,556	126,190
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>151,583</u>	<u>164,746</u>	<u>38,556</u>	<u>126,190</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(22,250)</u>	<u>(22,250)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(303,300)	(303,300)	-	303,300
Transfers in	303,300	303,300	303,300	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>303,300</u>	<u>303,300</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>281,050</u>	<u>281,050</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>44,525</u>	<u>44,525</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,575</u>	<u>\$ 325,575</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 281,050
Adjustments to revenues for federal operating grants				41,500
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 322,550</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, 2014

	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	300,573	300,573	321,596	21,023
State operating grants	288,000	288,000	159,860	(128,140)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	3,870	3,870
<i>Total revenues</i>	<u>588,573</u>	<u>588,573</u>	<u>485,326</u>	<u>(103,247)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	769,853	869,874	623,776	246,098
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>769,853</u>	<u>869,874</u>	<u>623,776</u>	<u>246,098</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(181,280)</u>	<u>(281,301)</u>	<u>(138,450)</u>	<u>142,851</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	81,280	81,280	-	(81,280)
Transfers in	100,000	200,021	200,021	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>181,280</u>	<u>281,301</u>	<u>200,021</u>	<u>(81,280)</u>
<i>Net change in fund balance</i>	-	-	61,571	61,571
<i>Fund balance - beginning of year</i>	-	-	277,666	277,666
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 339,237</u>	<u>\$ 339,237</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 61,571
Adjustments to revenues for state and federal operating grants				(64,090)
Adjustments to expenditures for salaries and professional services				(4,368)
Net change in fund balance (GAAP)				<u>\$ (6,887)</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, 2014

	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	150,000	150,000	5,000	(145,000)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>150,000</u>	<u>150,000</u>	<u>5,171</u>	<u>(144,829)</u>
<i>Expenditures:</i>				
Current:				
General government	160,000	160,000	-	160,000
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>160,000</u>	<u>160,000</u>	<u>-</u>	<u>160,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,000)</u>	<u>(10,000)</u>	<u>5,171</u>	<u>15,171</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	10,000	10,000	-	(10,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
<i>Net change in fund balance</i>	-	-	5,171	5,171
<i>Fund balance - beginning of year</i>	-	-	45,382	45,382
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,553</u>	<u>\$ 50,553</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 5,171
Adjustments to revenues for federal grants				(5,000)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 171</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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	760,000	760,000	771,209	11,209
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	100	100
<i>Total revenues</i>	<u>760,000</u>	<u>760,000</u>	<u>794,050</u>	<u>34,050</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	101,200	282,843	200,143	82,700
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	425,000	698,930	273,930	425,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>526,200</u>	<u>981,773</u>	<u>474,073</u>	<u>507,700</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>233,800</u>	<u>(221,773)</u>	<u>319,977</u>	<u>541,750</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	286,435	750,208	-	(750,208)
Transfers in	-	-	-	-
Transfers (out)	(520,235)	(528,435)	(528,435)	-
<i>Total other financing sources (uses)</i>	<u>(233,800)</u>	<u>221,773</u>	<u>(528,435)</u>	<u>(750,208)</u>
<i>Net change in fund balance</i>	-	-	(208,458)	(208,458)
<i>Fund balance - beginning of year</i>	-	-	2,652,607	2,652,607
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,444,149</u>	<u>\$ 2,444,149</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (208,458)
Adjustments to revenues for gross receipts taxes				(5,847)
Adjustments to expenditures for capital outlay				(15,829)
Net change in fund balance (GAAP)				<u>\$ (230,134)</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, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,200,000	1,200,000	2,009,040	809,040
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,200,000</u>	<u>1,200,000</u>	<u>2,009,040</u>	<u>809,040</u>
<i>Expenditures:</i>				
Current:				
General government	865,000	2,065,000	1,327,485	737,515
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>865,000</u>	<u>2,065,000</u>	<u>1,327,485</u>	<u>737,515</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>335,000</u>	<u>(865,000)</u>	<u>681,555</u>	<u>1,546,555</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	565,000	2,083,584	-	(2,083,584)
Transfers in	-	31,416	31,416	-
Transfers (out)	(900,000)	(1,250,000)	(1,250,000)	-
<i>Total other financing sources (uses)</i>	<u>(335,000)</u>	<u>865,000</u>	<u>(1,218,584)</u>	<u>(2,083,584)</u>
<i>Net change in fund balance</i>	-	-	(537,029)	(537,029)
<i>Fund balance - beginning of year</i>	-	-	4,715,810	4,715,810
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,178,781</u>	<u>\$ 4,178,781</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (537,029)
Adjustments to revenues for GRT capital projects revenues				(23,405)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (560,434)</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, 2014

	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	180,000	180,000	51,911	(128,089)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>180,000</u>	<u>180,000</u>	<u>51,911</u>	<u>(128,089)</u>
<i>Expenditures:</i>				
Current:				
General government	123,000	123,000	99,745	23,255
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>123,000</u>	<u>123,000</u>	<u>99,745</u>	<u>23,255</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>57,000</u>	<u>57,000</u>	<u>(47,834)</u>	<u>(104,834)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(57,000)	(57,000)	-	57,000
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(57,000)</u>	<u>(57,000)</u>	<u>-</u>	<u>57,000</u>
<i>Net change in fund balance</i>	-	-	(47,834)	(47,834)
<i>Fund balance - beginning of year</i>	-	-	478,731	478,731
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,897</u>	<u>\$ 430,897</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (47,834)
No adjustments to revenues				-
Adjustments to expenditures for professional services				(1,438)
Net change in fund balance (GAAP)				<u>\$ (49,272)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-32

McKinley County

CDBG/ Gameraico Water System Phase III 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, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	100,000	100,000	-	(100,000)
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	500,000	500,000	-	(500,000)
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	667,554	667,554	-	667,554
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>667,554</u>	<u>667,554</u>	<u>-</u>	<u>667,554</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(67,554)</u>	<u>(67,554)</u>	<u>-</u>	<u>67,554</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(450,000)	(550,000)	-	550,000
Transfers in	517,554	617,554	517,554	(100,000)
Transfers (out)	-	-	(1)	(1)
<i>Total other financing sources (uses)</i>	<u>67,554</u>	<u>67,554</u>	<u>517,553</u>	<u>449,999</u>
<i>Net change in fund balance</i>	-	-	517,553	517,553
<i>Fund balance - beginning of year</i>	-	-	-	-
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 517,553</u>	<u>\$ 517,553</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 517,553
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 517,553</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-33

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, 2014

	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	-	-	-	-
State operating 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)	500,000	500,000	-	(500,000)
Transfers in	-	-	-	-
Transfers (out)	(500,000)	(500,000)	(500,000)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
<i>Net change in fund balance</i>	-	-	(500,000)	(500,000)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</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)				\$ (500,000)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (500,000)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-34

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, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	570,000	570,000	491,107	(78,893)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
Federal capital grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Investment income	-	-	17,150	17,150
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>570,000</u>	<u>570,000</u>	<u>508,257</u>	<u>(61,743)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	483,000	495,189	178,464	316,725
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	477,000	508,000	90,948	417,052
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>960,000</u>	<u>1,003,189</u>	<u>269,412</u>	<u>733,777</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(390,000)</u>	<u>(433,189)</u>	<u>238,845</u>	<u>672,034</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	390,000	433,189	-	(433,189)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>390,000</u>	<u>433,189</u>	<u>-</u>	<u>(433,189)</u>
<i>Net change in fund balance</i>	-	-	238,845	238,845
<i>Fund balance - beginning of year</i>	-	-	2,020,019	2,020,019
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,258,864</u>	<u>\$ 2,258,864</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 238,845
Adjustments to revenue for gross receipt taxes				735
Adjustments to expenditures for repairs and maintenance				12,003
Net change in fund balance (GAAP)				<u>\$ 251,583</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, 2014

	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	870,000	1,150,000	921,931	(228,069)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Net increase (decrease) in the fair value of investments	-	-	(37,663)	37,663
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>870,000</u>	<u>1,150,000</u>	<u>884,268</u>	<u>(190,406)</u>
<i>Expenditures:</i>				
Current:				
General government	770,000	1,110,000	741,678	368,322
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	100,000	40,000	39,414	586
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>870,000</u>	<u>1,150,000</u>	<u>781,092</u>	<u>368,908</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>103,176</u>	<u>178,502</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	650,000	650,000	-	(650,000)
Transfers in	-	4,500	-	(4,500)
Transfers (out)	(650,000)	(654,500)	(650,000)	4,500
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(650,000)</u>	<u>(650,000)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(546,824)</u>	<u>(546,824)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,282,382</u>	<u>2,282,382</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,735,558</u>	<u>\$ 1,735,558</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (546,824)
Adjustments to revenues for state grant revenue				(84,986)
Adjustments to expenditures for construction expenditures and general government expenditures				(37,985)
Net change in fund balance (GAAP)				<u>\$ (669,795)</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
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2014

	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	-	-	249,115	249,115
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>249,115</u>	<u>249,115</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	2,205,400	2,555,400	2,333,000	222,400
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,205,400</u>	<u>2,555,400</u>	<u>2,333,000</u>	<u>222,400</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,205,400)</u>	<u>(2,555,400)</u>	<u>(2,083,885)</u>	<u>471,515</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,805,400	1,805,400	-	(1,805,400)
Transfers in	400,000	750,000	750,000	-
<i>Total other financing sources (uses)</i>	<u>2,205,400</u>	<u>2,555,400</u>	<u>750,000</u>	<u>(1,805,400)</u>
<i>Net change in fund balance</i>	-	-	(1,333,885)	(1,333,885)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,815,041</u>	<u>1,815,041</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 481,156</u>	<u>\$ 481,156</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,333,885)
No adjustments to revenues				-
Adjustments to expenditures for capital outlay expenditures and general government expenditures				<u>(162,056)</u>
Net change in fund balance (GAAP)				<u>\$ (1,495,941)</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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
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>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<i>Expenditures:</i>				
Current:				
General government	500	500	-	500
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>-</u>	<u>500</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>500</u>	<u>500</u>	<u>-</u>	<u>(500)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(500)	553	-	(553)
Transfers in	-	-	-	-
Transfers (out)	-	(1,053)	(566)	487
<i>Total other financing sources (uses)</i>	<u>(500)</u>	<u>(500)</u>	<u>(566)</u>	<u>(66)</u>
<i>Net change in fund balance</i>	-	-	(566)	(566)
<i>Fund balance - beginning of year</i>	-	-	566	566
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (566)
Adjustments to revenues for property taxes				783
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 217</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, 2014

	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	115,000	115,000	-	115,000
Interest	14,400	14,400	-	14,400
<i>Total expenditures</i>	<u>129,400</u>	<u>129,400</u>	<u>-</u>	<u>129,400</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(129,400)</u>	<u>(129,400)</u>	<u>-</u>	<u>129,400</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	143,761	-	(143,761)
Transfers in	129,400	129,400	9,114	(120,286)
Transfers (out)	-	(143,761)	(143,761)	-
<i>Total other financing sources (uses)</i>	<u>129,400</u>	<u>129,400</u>	<u>(134,647)</u>	<u>(264,047)</u>
<i>Net change in fund balance</i>	-	-	(134,647)	(134,647)
<i>Fund balance - beginning of year</i>	-	-	134,647	134,647
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (134,647)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (134,647)</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

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Intergovernmental:				
Federal operating 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	-	-	-	-
Bond defeasance costs	8,000	-	-	-
<i>Total expenditures</i>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(8,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,295,000	1,297,018	-	(1,297,018)
Payments to bond escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(1,287,000)	(1,297,018)	(1,297,018)	-
<i>Total other financing sources (uses)</i>	<u>8,000</u>	<u>-</u>	<u>(1,297,018)</u>	<u>(1,297,018)</u>
<i>Net change in fund balance</i>	-	-	(1,297,018)	(1,297,018)
<i>Fund balance - beginning of year</i>	-	-	1,966,060	1,966,060
<i>Fund balance - restatement</i>	-	-	(669,042)	(669,042)
<i>Fund balance - as restated</i>	-	-	1,297,018	1,297,018
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (1,297,018)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (1,297,018)</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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	700,000	700,000	1,075,800	375,800
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>700,000</u>	<u>700,000</u>	<u>1,075,800</u>	<u>375,800</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	290,000	290,000	290,000	-
Interest	409,944	409,944	409,944	-
<i>Total expenditures</i>	<u>699,944</u>	<u>699,944</u>	<u>699,944</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>56</u>	<u>56</u>	<u>375,856</u>	<u>375,800</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(56)	(56)	-	56
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(56)</u>	<u>(56)</u>	<u>-</u>	<u>56</u>
<i>Net change in fund balance</i>	-	-	375,856	375,856
<i>Fund balance - beginning of year</i>	-	-	326,719	326,719
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 702,575</u>	<u>\$ 702,575</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 375,856
Adjustments to revenue for gross receipt taxes				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 375,856</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, 2014

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	560,400	560,400	560,400	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	260,000	260,000	341,416	81,416
<i>Total revenues</i>	<u>820,400</u>	<u>820,400</u>	<u>901,816</u>	<u>81,416</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	250,000	250,000	250,000	-
Interest	233,150	233,150	233,150	-
<i>Total expenditures</i>	<u>483,150</u>	<u>483,150</u>	<u>483,150</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>337,250</u>	<u>337,250</u>	<u>418,666</u>	<u>81,416</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(337,250)	(337,250)	-	337,250
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(337,250)</u>	<u>(337,250)</u>	<u>-</u>	<u>337,250</u>
<i>Net change in fund balance</i>	-	-	418,666	418,666
<i>Fund balance - beginning of year</i>	-	-	117,128	117,128
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 535,794</u>	<u>\$ 535,794</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 418,666
Adjustments to revenue for gross receipt taxes				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 418,666</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, 2014

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value *Par Value at June 30, 2014	Location of Safekeeper
US Bank					
	FHLMC GOLD POOL D96128FGTV	7/1/2023	3128E2YZ3	\$ 26,629	Federal Home Loan Bank- Dallas, TX
	FHLMC Gold Pool G11311	10/1/2017	31283KN46	16,538	Federal Home Loan Bank- Dallas, TX
	FHLMC Gold Pool G11356	1/1/2018	31283KQH4	250,095	Federal Home Loan Bank- Dallas, TX
	FNMA Pool AE9826	12/1/2025	31419L4L4	<u>1,993,092</u>	Federal Home Loan Bank- Dallas, TX
	Total US Bank			<u>\$ 2,286,354</u>	
Pinnacle Bank					
	FNMA 257504, 5.00%	12/1/2018	31371PAD2	\$ 346,712	Federal Reserve Bank of Kansas City
	FHLMC 3564 LA, 4.00%	8/15/2019	31398JEB5	640,615	Federal Reserve Bank of Kansas City
	FHLB Bonds, 2.50%	10/30/2014	3133XXRS8	7,562,700	Federal Reserve Bank of Kansas City
	FHLB Bonds, 2.12%	6/10/2016	313373SZ6	2,575,500	Federal Reserve Bank of Kansas City
	FNMA 238817 ARM, 5.74%	11/1/2024	3137ORG27	132,265	Federal Reserve Bank of Kansas City
	FHLMC G11533, 5.00%	3/1/2019	31283KV21	604,001	Federal Reserve Bank of Kansas City
	FNMA 10 137 BJ, 2.00%	12/25/2025	31398SRD7	4,952,398	Federal Reserve Bank of Kansas City
	FHLMC 3758 CH, 1.50%	9/15/2018	3137A3CE7	1,520,732	Federal Reserve Bank of Kansas City
	FHLMC 3884 DJ, 2.50%	2/15/2025	3137ABVT5	1,994,441	Federal Reserve Bank of Kansas City
*	CORRALES NM GO, 3.75%	8/1/2015	22025PBF5	77,620	Federal Reserve Bank of Kansas City
*	CORRALES NM GO, 4.00%	8/1/2016	22025PBG3	80,202	Federal Reserve Bank of Kansas City
	WEST POINT NE COP, 4.20%	11/1/2016	955444ABO	250,502	Federal Reserve Bank of Kansas City
	WEST POINT NE COP, 4.25%	11/1/2017	955444AC8	<u>400,728</u>	Federal Reserve Bank of Kansas City
	Total Pinnacle Bank			<u>\$ 21,138,416</u>	
Washington Federal					
	FHLMC GOLD PC A94288, 2.50%	8/20/2061	3620E0NW2	<u>\$ 5,677,446</u>	Federal Home Loan Bank- Seattle WA
	Total Washington Federal			<u>\$ 5,677,446</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, 2014	Location of Safekeeper
Wells Fargo					
	FN AB7748 3.00% 01/01/2043	1/1/2043	31417ETE1	\$ 157,415	Bank of NY Mellon, New York, NY
	FN AB9838 3.50% 07/01/2043	7/1/2043	31417G4Y9	5,245,549	Bank of NY Mellon, New York, NY
	Total Wells Fargo			\$ 5,402,964	
	Total Pledged Collateral			\$ 34,505,180	

STATE OF NEW MEXICO
 McKinley County
 Schedule of Deposit and Investment Accounts
 June 30, 2014

Bank Account Type/Name	US Bank	Pinnacle Bank	Washington Federal Bank	Wells Fargo Bank
Certificate of Deposit	\$ 1,000,000	\$ -	\$ -	\$ -
Certificate of Deposit	502,736	-	-	-
Seizure	-	9,412	-	-
CDBG	-	573,106	-	-
Operational	-	5,689,826	-	-
Payroll Warrant Account	-	14,661	-	-
Accounts Payable Warrant Account	-	(523,770)	-	-
Certificate of Deposit	-	1,000,000	-	-
Certificate of Deposit	-	1,000,000	-	-
Certificate of Deposit	-	1,000,000	1,000,220	-
Certificate of Deposit	-	2,000,000	1,000,185	-
Savings	-	-	-	5,329,247
Certificate of Deposit	-	-	-	-
Federal Home Loan Banks 1.125%	-	-	-	-
Federal Home Loan Banks 1.125%	-	-	-	-
Federal Home Loan Banks 1.25%	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-
Federal Home Loan Banks 2.50%	-	-	-	-
Federal Home Loan Banks 1.25%	-	-	-	-
Federal Home Loan Banks 1.37%	-	-	-	-
Federal Home Loan Banks 1.39%	-	-	-	-
Federal Home Loan Banks 0.65%	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-
Federal Home Loan Banks 1.00%	-	-	-	-
Federal Home Loan Banks 1.125%	-	-	-	-
Federal Home Loan Banks 0.625%	-	-	-	-
Federal Home Loan Banks 0.70%	-	-	-	-
Total	1,502,736	10,763,235	2,000,405	5,329,247
Reconciling items	-	(668,961)	-	-
Reconciled balance	\$ 1,502,736	\$ 10,094,274	\$ 2,000,405	\$ 5,329,247

Petty cash

Less: investments per Exhibit A-1

Less: agency funds cash and investments per Exhibit D-1

Total unrestricted cash and cash equivalents per Exhibit A-1

See independent auditors' report

First Financial Credit Union	National Financial Services Corp.	Totals
\$ -	\$ -	\$ 1,000,000
-	-	502,736
-	-	9,412
-	-	573,106
-	-	5,689,826
-	-	14,661
-	-	(523,770)
-	-	1,000,000
-	-	1,000,000
-	-	2,000,220
-	-	3,000,185
-	-	5,329,247
99,218	-	99,218
-	978,530	978,530
-	994,140	994,140
-	999,290	999,290
-	1,190,652	1,190,652
-	1,211,664	1,211,664
-	1,236,764	1,236,764
-	1,400,434	1,400,434
-	1,447,395	1,447,395
-	1,932,117	1,932,117
-	1,953,580	1,953,580
-	1,986,960	1,986,960
-	2,905,440	2,905,440
-	2,925,540	2,925,540
-	2,973,390	2,973,390
-	2,998,560	2,998,560
-	3,479,560	3,479,560
-	4,957,550	4,957,550
99,218	35,571,566	55,266,407
-	-	(668,961)
<u>\$ 99,218</u>	<u>\$ 35,571,566</u>	54,597,446
		977
		(43,671,189)
		(811,979)
		<u>\$ 10,115,255</u>

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STATE OF NEW MEXICO
 McKinley County
 Reconciliation of Property Tax Rolls
 For the Year Ended June 30, 2014

Schedule III

Property taxes receivable, beginning of year	\$	1,894,770
Changes to tax roll:		
Net tax charges to treasurer for fiscal year		28,898,621
Adjustments:		
Net decrease in taxes receivable		<u>42,587</u>
Total receivable prior to collections		30,835,978
Collections for fiscal year ended June 30, 2014		<u>(29,122,095)</u>
Property taxes receivable, end of year	\$	<u><u>1,713,883</u></u>
Property taxes receivable are reported as follows:		
General Fund	\$	410,020
Debt Service Fund		2,846
Agency Funds		<u>1,301,017</u>
Total property taxes receivable	\$	<u><u>1,713,883</u></u>
Property taxes receivable by year:		
2004	\$	16,633
2005		13,302
2006		11,590
2007		14,916
2008		19,321
2009		68,603
2010		58,817
2011		108,451
2012		337,149
2013		<u>1,065,101</u>
Total property taxes receivable	\$	<u><u>1,713,883</u></u>

See independent auditors' report

STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2014

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 2004	\$ 204,474	\$ 204,444	\$ 6	\$ 204,450	\$ 33	\$ 204,573	\$ 24
STATE DEBT SERVICE 2005	261,312	261,236	14	261,250	37	261,456	62
STATE DEBT SERVICE 2006	282,677	282,606	12	282,618	47	283,505	59
STATE DEBT SERVICE 2007	288,872	288,612	174	288,786	223	292,882	86
STATE DEBT SERVICE 2008	303,746	303,297	340	303,637	341	304,707	109
STATE DEBT SERVICE 2009	295,700	294,004	1,258	295,262	1,375	299,353	438
STATE DEBT SERVICE 2010	1,126,173	1,116,851	6,734	1,123,585	10,097	1,122,320	2,588
STATE DEBT SERVICE 2011	1,038,166	1,020,001	13,552	1,033,553	14,376	1,030,939	4,613
STATE DEBT SERVICE 2012	1,043,343	1,001,469	27,805	1,029,274	35,057	1,026,239	14,069
STATE DEBT SERVICE 2013	1,130,054	-	1,087,814	1,087,814	1,079,936	1,079,936	42,240
Total	\$ 5,974,517	\$ 4,772,520	\$ 1,137,709	\$ 5,910,229	\$ 1,141,522	\$ 5,905,910	\$ 64,288
002 COUNTY OPERATIONAL- RES							
COUNTY OPERATIONAL - RES 2004	\$ 1,037,289	\$ 1,037,137	\$ 28	\$ 1,037,165	\$ 76	\$ 1,037,169	\$ 124
COUNTY OPERATIONAL - RES 2005	1,083,791	1,083,474	59	1,083,533	59	1,083,755	258
COUNTY OPERATIONAL - RES 2006	1,151,510	1,151,221	47	1,151,268	91	1,150,436	242
COUNTY OPERATIONAL - RES 2007	1,232,377	1,231,270	744	1,232,014	830	1,223,568	363
COUNTY OPERATIONAL - RES 2008	1,303,190	1,301,266	1,457	1,302,723	1,465	1,307,315	467
COUNTY OPERATIONAL - RES 2009	1,397,247	1,389,231	5,946	1,395,177	6,496	1,416,386	2,070
COUNTY OPERATIONAL - RES 2010	1,412,886	1,397,041	11,885	1,408,926	19,284	1,406,868	3,960
COUNTY OPERATIONAL - RES 2011	1,450,737	1,406,816	32,136	1,438,952	30,979	1,430,748	11,785
COUNTY OPERATIONAL - RES 2012	1,511,773	1,403,731	67,036	1,470,767	86,043	1,464,719	41,006
COUNTY OPERATIONAL - RES 2013	1,550,459	-	1,431,703	1,431,703	1,413,086	1,413,086	118,756
Total	\$ 13,131,259	\$ 11,401,187	\$ 1,551,041	\$ 12,952,228	\$ 1,558,409	\$ 12,934,050	\$ 179,031
003 COUNTY DEBT SERVICE							
COUNTY DEBT SERVICE 2004	\$ 496,666	\$ 496,592	\$ 14	\$ 496,606	\$ 81	\$ 496,596	\$ 60
COUNTY DEBT SERVICE 2005	248,819	248,746	13	248,759	35	249,095	60
COUNTY DEBT SERVICE 2006	254,650	254,586	11	254,597	43	254,564	53
COUNTY DEBT SERVICE 2007	250,545	250,320	151	250,471	194	249,644	74
COUNTY DEBT SERVICE 2008	197,556	197,264	221	197,485	222	198,829	71
COUNTY DEBT SERVICE 2009	-	-	-	-	-	4,752	-
COUNTY DEBT SERVICE 2010	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2011	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2012	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2013	-	-	-	-	-	-	-
Total	\$ 1,448,236	\$ 1,447,508	\$ 410	\$ 1,447,918	\$ 575	\$ 1,453,480	\$ 318

See independent auditors' report

STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2014

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 2004	\$ 755,931	\$ 755,868	\$ 44	\$ 755,912	\$ 44	\$ 755,963	\$ 19
GALLUP MUNICIPAL OPERATIONAL - RES 2005	790,010	789,929	6	789,935	5	790,214	75
GALLUP MUNICIPAL OPERATIONAL - RES 2006	838,926	838,870	-	838,870	21	841,848	56
GALLUP MUNICIPAL OPERATIONAL - RES 2007	897,389	896,618	661	897,279	661	913,557	110
GALLUP MUNICIPAL OPERATIONAL - RES 2008	949,722	948,592	1,013	949,605	999	951,893	117
GALLUP MUNICIPAL OPERATIONAL - RES 2009	1,019,479	1,014,636	3,894	1,018,530	4,308	1,030,536	949
GALLUP MUNICIPAL OPERATIONAL - RES 2010	1,030,354	1,021,440	6,506	1,027,946	9,806	1,026,231	2,408
GALLUP MUNICIPAL OPERATIONAL - RES 2011	1,057,487	1,032,264	18,377	1,050,641	16,907	1,045,942	6,846
GALLUP MUNICIPAL OPERATIONAL - RES 2012	1,102,894	1,038,309	40,102	1,078,411	51,940	1,075,304	24,483
GALLUP MUNICIPAL OPERATIONAL - RES 2013	1,129,517	-	1,059,139	1,059,139	1,048,174	1,048,174	70,378
Total	\$ 9,571,709	\$ 8,336,526	\$ 1,129,742	\$ 9,466,268	\$ 1,132,865	\$ 9,479,662	\$ 105,441
005 GALLUP MUNICIPAL DEBT SERVICE							
GALLUP MUNICIPAL DEBT SERVICE 2004	\$ 346,299	\$ 346,271	\$ 20	\$ 346,291	\$ 60	\$ 346,348	\$ 8
GALLUP MUNICIPAL DEBT SERVICE 2005	368,063	368,026	2	368,028	43	368,184	35
GALLUP MUNICIPAL DEBT SERVICE 2006	235,783	235,767	1	235,768	33	236,413	15
GALLUP MUNICIPAL DEBT SERVICE 2007	404,806	404,458	298	404,756	348	410,469	50
GALLUP MUNICIPAL DEBT SERVICE 2008	416,019	415,524	443	415,967	438	416,970	52
GALLUP MUNICIPAL DEBT SERVICE 2009	440,748	438,654	1,684	440,338	1,862	445,527	410
GALLUP MUNICIPAL DEBT SERVICE 2010	441,155	437,338	2,786	440,124	4,198	439,389	1,031
GALLUP MUNICIPAL DEBT SERVICE 2011	284,817	278,023	4,950	282,973	4,554	281,708	1,844
GALLUP MUNICIPAL DEBT SERVICE 2012	348,421	328,018	12,669	340,687	16,409	339,705	7,734
GALLUP MUNICIPAL DEBT SERVICE 2013	303,549	-	284,635	284,635	281,689	281,689	18,914
Total	\$ 3,589,660	\$ 3,252,079	\$ 307,488	\$ 3,559,567	\$ 309,634	\$ 3,566,402	\$ 30,093
006 SCHOOL DISTRICT OPERATIONAL - RES							
SCHOOL DISTRICT OPERATIONAL - RES 2004	\$ 47,534	\$ 47,527	\$ 2	\$ 47,529	\$ 3	\$ 47,577	\$ 5
SCHOOL DISTRICT OPERATIONAL - RES 2005	49,759	49,744	3	49,747	3	49,810	12
SCHOOL DISTRICT OPERATIONAL - RES 2006	52,765	52,751	2	52,753	4	53,046	12
SCHOOL DISTRICT OPERATIONAL - RES 2007	56,539	56,489	34	56,523	38	57,858	16
SCHOOL DISTRICT OPERATIONAL - RES 2008	59,772	59,684	67	59,751	67	59,962	21
SCHOOL DISTRICT OPERATIONAL - RES 2009	64,021	63,654	273	63,927	298	64,899	94
SCHOOL DISTRICT OPERATIONAL - RES 2010	64,760	64,033	545	64,578	884	64,483	182
SCHOOL DISTRICT OPERATIONAL - RES 2011	66,440	64,429	1,471	65,900	1,419	65,524	540
SCHOOL DISTRICT OPERATIONAL - RES 2012	69,254	64,304	3,071	67,375	3,942	67,098	1,879
SCHOOL DISTRICT OPERATIONAL - RES 2013	70,916	-	65,487	65,487	64,636	64,636	5,429
Total	\$ 601,760	\$ 522,615	\$ 70,955	\$ 593,570	\$ 71,294	\$ 594,893	\$ 8,190

See independent auditors' report

STATE OF NEW MEXICO
 McKinley County
 McKinley County Treasurer Property Tax Schedule
 For the Year Ended June 30, 2014

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 2004	\$ 1,602,647	\$ 1,602,411	\$ 44	\$ 1,602,455	\$ 261	\$ 1,603,423	\$ 192
SCHOOL DISTRICT DEBT SERVICE 2005	1,718,482	1,717,979	94	1,718,073	242	1,719,425	409
SCHOOL DISTRICT DEBT SERVICE 2006	1,775,604	1,775,158	72	1,775,230	296	1,780,803	374
SCHOOL DISTRICT DEBT SERVICE 2007	1,919,266	1,917,542	1,159	1,918,701	1,484	1,945,920	565
SCHOOL DISTRICT DEBT SERVICE 2008	2,029,102	2,026,105	2,270	2,028,375	2,281	2,035,525	727
SCHOOL DISTRICT DEBT SERVICE 2009	2,148,185	2,135,861	9,143	2,145,004	9,987	2,177,612	3,181
SCHOOL DISTRICT DEBT SERVICE 2010	2,167,892	2,143,577	18,239	2,161,816	29,590	2,158,658	6,076
SCHOOL DISTRICT DEBT SERVICE 2011	2,194,095	2,127,663	48,607	2,176,270	46,855	2,163,860	17,825
SCHOOL DISTRICT DEBT SERVICE 2012	2,206,861	2,049,133	97,864	2,146,997	125,612	2,138,168	59,864
SCHOOL DISTRICT DEBT SERVICE 2013	2,204,755	-	2,035,971	2,035,971	2,009,514	2,009,514	168,784
Total	\$ 19,966,889	\$ 17,495,429	\$ 2,213,463	\$ 19,708,892	\$ 2,226,122	\$ 19,732,908	\$ 257,997
008 SCHOOL DIST. CAP. IMPROVEMENT - RES							
SCHOOL DIST. CAP. IMPROVEMENT 2004	\$ 397,778	\$ 397,719	\$ 11	\$ 397,730	\$ 29	\$ 397,935	\$ 48
SCHOOL DIST. CAP. IMPROVEMENT 2005	415,646	415,524	23	415,547	36	415,792	99
SCHOOL DIST. CAP. IMPROVEMENT 2006	437,880	437,770	18	437,788	35	439,095	92
SCHOOL DIST. CAP. IMPROVEMENT 2007	468,639	468,218	283	468,501	315	475,115	138
SCHOOL DIST. CAP. IMPROVEMENT 2008	485,954	485,236	544	485,780	546	487,493	174
SCHOOL DIST. CAP. IMPROVEMENT 2009	514,227	511,277	2,189	513,466	2,391	521,272	761
SCHOOL DIST. CAP. IMPROVEMENT 2010	518,077	512,266	4,359	516,625	7,071	515,870	1,452
SCHOOL DIST. CAP. IMPROVEMENT 2011	525,217	509,315	11,635	520,950	11,216	517,980	4,267
SCHOOL DIST. CAP. IMPROVEMENT 2012	528,653	490,869	23,443	514,312	30,090	512,197	14,341
SCHOOL DIST. CAP. IMPROVEMENT 2013	529,226	-	488,711	488,711	482,361	482,361	40,515
Total	\$ 4,821,297	\$ 4,228,194	\$ 531,216	\$ 4,759,410	\$ 534,090	\$ 4,765,110	\$ 61,887
009 GALLUP BRANCH COLLEGE - RES							
GALLUP BRANCH COLLEGE - RES 2004	\$ 136,449	\$ 136,429	\$ 3	\$ 136,432	\$ 10	\$ 136,531	\$ 17
GALLUP BRANCH COLLEGE - RES 2005	423,521	423,397	23	423,420	36	423,665	101
GALLUP BRANCH COLLEGE - RES 2006	437,920	437,810	18	437,828	35	439,135	92
GALLUP BRANCH COLLEGE - RES 2007	468,677	468,256	283	468,539	315	475,153	138
GALLUP BRANCH COLLEGE - RES 2008	485,993	485,276	543	485,819	546	487,531	174
GALLUP BRANCH COLLEGE - RES 2009	514,261	511,311	2,188	513,499	2,391	521,306	762
GALLUP BRANCH COLLEGE - RES 2010	518,110	512,299	4,359	516,658	7,071	515,903	1,452
GALLUP BRANCH COLLEGE - RES 2011	525,249	509,346	11,636	520,982	11,216	518,011	4,267
GALLUP BRANCH COLLEGE - RES 2012	528,685	490,901	23,443	514,344	30,090	512,229	14,341
GALLUP BRANCH COLLEGE - RES 2013	529,257	-	488,719	488,719	482,364	482,364	40,538
Total	\$ 4,568,122	\$ 3,975,025	\$ 531,215	\$ 4,506,240	\$ 534,074	\$ 4,511,828	\$ 61,882

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010 GALLUP BRANCH DEBT SERVICE							
GALLUP BRANCH DEBT SERVICE 2004	\$ 397,810	\$ 397,751	\$ 11	\$ 397,762	\$ 65	\$ 398,003	\$ 48
GALLUP BRANCH DEBT SERVICE 2005	635,282	635,096	35	635,131	89	635,631	151
GALLUP BRANCH DEBT SERVICE 2006	437,920	437,810	18	437,828	73	439,202	92
GALLUP BRANCH DEBT SERVICE 2007	473,172	472,747	286	473,033	366	479,743	139
GALLUP BRANCH DEBT SERVICE 2008	485,993	485,275	544	485,819	546	487,531	174
GALLUP BRANCH DEBT SERVICE 2009	642,826	639,138	2,736	641,874	2,988	651,630	952
GALLUP BRANCH DEBT SERVICE 2010	647,637	640,374	5,449	645,823	8,839	644,878	1,814
GALLUP BRANCH DEBT SERVICE 2011	656,561	636,683	14,544	651,227	14,020	647,514	5,334
GALLUP BRANCH DEBT SERVICE 2012	880,260	817,350	39,033	856,383	50,100	852,861	23,877
GALLUP BRANCH DEBT SERVICE 2013	881,213	-	813,718	813,718	803,137	803,137	67,495
Total	\$ 6,138,674	\$ 5,162,224	\$ 876,374	\$ 6,038,598	\$ 880,223	\$ 6,040,130	\$ 100,076
011 REHOBOTH CHRISTIAN HOSPITAL - RES							
REHOBOTH CHRISTIAN HOSPITAL 2004	\$ 397,810	\$ 397,751	\$ 11	\$ 397,762	\$ 29	\$ 397,967	\$ 48
REHOBOTH CHRISTIAN HOSPITAL 2005	423,521	423,397	23	423,420	36	423,665	101
REHOBOTH CHRISTIAN HOSPITAL 2006	437,920	437,810	18	437,828	35	439,135	92
REHOBOTH CHRISTIAN HOSPITAL 2007	468,677	468,256	283	468,539	315	475,153	138
REHOBOTH CHRISTIAN HOSPITAL 2008	485,993	485,276	543	485,819	546	487,531	174
REHOBOTH CHRISTIAN HOSPITAL 2009	514,261	511,311	2,188	513,499	2,391	521,306	762
REHOBOTH CHRISTIAN HOSPITAL 2010	518,110	512,299	4,359	516,658	7,071	515,903	1,452
REHOBOTH CHRISTIAN HOSPITAL 2011	525,249	509,346	11,636	520,982	11,216	518,011	4,267
REHOBOTH CHRISTIAN HOSPITAL 2012	528,685	490,901	23,443	514,344	30,090	512,229	14,341
REHOBOTH CHRISTIAN HOSPITAL 2013	793,886	-	733,079	733,079	723,546	723,546	60,807
Total	\$ 5,094,112	\$ 4,236,347	\$ 775,583	\$ 5,011,930	\$ 775,275	\$ 5,014,446	\$ 82,182
012 UNM - GALLUP SPECIAL VOCATIONAL - RES							
UNM - GALLUP SPECIAL VOCATIONAL 2004	\$ 136,449	\$ 136,429	\$ 3	\$ 136,432	\$ 10	\$ 136,531	\$ 17
UNM - GALLUP SPECIAL VOCATIONAL 2005	211,761	211,698	12	211,710	18	211,833	51
UNM - GALLUP SPECIAL VOCATIONAL 2006	218,960	218,905	9	218,914	17	219,567	46
UNM - GALLUP SPECIAL VOCATIONAL 2007	234,457	234,246	142	234,388	158	237,697	69
UNM - GALLUP SPECIAL VOCATIONAL 2008	242,996	242,638	271	242,909	273	243,765	87
UNM - GALLUP SPECIAL VOCATIONAL 2009	257,130	255,655	1,095	256,750	1,195	260,651	380
UNM - GALLUP SPECIAL VOCATIONAL 2010	259,055	256,150	2,179	258,329	3,536	257,952	726
UNM - GALLUP SPECIAL VOCATIONAL 2011	262,624	254,674	5,817	260,491	5,608	259,006	2,133
UNM - GALLUP SPECIAL VOCATIONAL 2012	264,342	245,450	11,722	257,172	15,045	256,114	7,170
UNM - GALLUP SPECIAL VOCATIONAL 2013	264,629	-	244,360	244,360	241,182	241,182	20,269
Total	\$ 2,352,403	\$ 2,055,845	\$ 265,610	\$ 2,321,455	\$ 267,042	\$ 2,324,298	\$ 30,948

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013 ZUNI SCHOOL DISTRICT OPERATIONAL - RES							
ZUNI SCHOOL DISTRICT OPERATIONAL 2004	\$ 8	\$ 8	\$ -	\$ 8	\$ -	\$ 8	\$ -
ZUNI SCHOOL DISTRICT OPERATIONAL 2005	10	11	-	11	-	10	(1)
ZUNI SCHOOL DISTRICT OPERATIONAL 2006	10	10	-	10	-	10	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2007	10	9	-	9	-	10	1
ZUNI SCHOOL DISTRICT OPERATIONAL 2008	10	9	-	9	-	10	1
ZUNI SCHOOL DISTRICT OPERATIONAL 2009	8	9	-	9	-	8	(1)
ZUNI SCHOOL DISTRICT OPERATIONAL 2010	8	9	-	9	-	8	(1)
ZUNI SCHOOL DISTRICT OPERATIONAL 2011	8	8	-	8	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2012	8	8	-	8	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2013	8	-	2	2	1	1	6
Total	\$ 88	\$ 81	\$ 2	\$ 83	\$ 1	\$ 81	\$ 5
014 ZUNI SCHOOL DISTRICT DEBT SERV - RES							
ZUNI SCHOOL DISTRICT DEBT SERVICE 2004	\$ 48	\$ 48	\$ -	\$ 48	\$ -	\$ 48	\$ -
ZUNI SCHOOL DISTRICT DEBT SERVICE 2005	55	56	-	56	-	56	(1)
ZUNI SCHOOL DISTRICT DEBT SERVICE 2006	59	59	-	59	-	59	-
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	83	83	-	83	-	83	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2010	96	96	-	96	-	96	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2011	56	56	-	56	-	55	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2012	72	72	-	72	-	72	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2013	73	-	19	19	9	9	54
Total	\$ 654	\$ 582	\$ 19	\$ 601	\$ 9	\$ 590	\$ 53
015 ZUNI SCHOOL DIST CAP IMPROV - RES							
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	-	31	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2012	32	32	-	32	-	32	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2013	31	-	9	9	4	4	22
Total	\$ 352	\$ 321	\$ 9	\$ 330	\$ 4	\$ 324	\$ 22

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019 ZUNI SCHOOL DIST EDUC. TECH - RES							
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	-	383	-
ZUNI SCHOOL DIST EDUC TECH. 2012	-	-	-	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2013	-	-	-	-	-	-	-
Total	\$ 1,788	\$ 1,788	\$ -	\$ 1,788	\$ -	\$ 1,789	\$ -
022 COUNTY OPERATIONAL - NON RES							
COUNTY OPERATIONAL - NON RES 2004	\$ 4,283,914	\$ 4,278,631	\$ 210	\$ 4,278,841	\$ 211	\$ 4,345,939	\$ 5,073
COUNTY OPERATIONAL - NON RES 2005	4,842,692	4,838,795	216	4,839,011	216	4,776,980	3,681
COUNTY OPERATIONAL - NON RES 2006	4,988,249	4,984,423	229	4,984,652	229	4,914,044	3,597
COUNTY OPERATIONAL - NON RES 2007	5,389,970	5,385,513	280	5,385,793	280	5,304,018	4,177
COUNTY OPERATIONAL - NON RES 2008	5,287,488	5,277,811	4,302	5,282,113	4,247	5,289,587	5,375
COUNTY OPERATIONAL - NON RES 2009	5,739,808	5,707,477	15,011	5,722,488	10,841	5,753,047	17,320
COUNTY OPERATIONAL - NON RES 2010	5,652,520	5,614,747	26,332	5,641,079	36,305	5,635,757	11,441
COUNTY OPERATIONAL - NON RES 2011	5,920,403	5,856,586	48,962	5,905,548	58,621	5,900,401	14,855
COUNTY OPERATIONAL - NON RES 2012	5,958,436	5,817,446	103,375	5,920,821	127,177	5,906,907	37,615
COUNTY OPERATIONAL - NON RES 2013	6,710,577	-	6,582,722	6,582,722	6,551,730	6,551,730	127,855
Total	\$ 54,774,057	\$ 47,761,429	\$ 6,781,639	\$ 54,543,068	\$ 6,789,857	\$ 54,378,410	\$ 230,989
024 GALLUP MUNICIPAL OPERATIONAL - NON RES							
GALLUP MUNICIPAL OPERATIONAL NON RES 2004	\$ 862,686	\$ 861,804	\$ 137	\$ 861,941	\$ 136	\$ 873,236	\$ 745
GALLUP MUNICIPAL OPERATIONAL NON RES 2005	974,874	973,830	136	973,966	136	963,581	908
GALLUP MUNICIPAL OPERATIONAL NON RES 2006	1,030,932	1,030,023	147	1,030,170	148	1,016,661	762
GALLUP MUNICIPAL OPERATIONAL NON RES 2007	1,125,548	1,124,324	165	1,124,489	166	1,107,725	1,059
GALLUP MUNICIPAL OPERATIONAL NON RES 2008	1,180,839	1,176,579	2,499	1,179,078	2,372	1,182,155	1,761
GALLUP MUNICIPAL OPERATIONAL NON RES 2009	1,171,465	1,154,433	8,097	1,162,530	5,467	1,175,736	8,935
GALLUP MUNICIPAL OPERATIONAL NON RES 2010	1,166,040	1,149,085	12,326	1,161,411	17,846	1,158,832	4,629
GALLUP MUNICIPAL OPERATIONAL NON RES 2011	1,149,125	1,121,669	22,740	1,144,409	30,182	1,143,385	4,716
GALLUP MUNICIPAL OPERATIONAL NON RES 2012	1,138,718	1,080,375	45,823	1,126,198	59,550	1,118,515	12,520
GALLUP MUNICIPAL OPERATIONAL NON RES 2013	1,120,542	-	1,066,954	1,066,954	1,053,793	1,053,793	53,588
Total	\$ 10,920,769	\$ 9,672,122	\$ 1,159,024	\$ 10,831,146	\$ 1,169,796	\$ 10,793,619	\$ 89,623

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026 SCHOOL DISTRICT OPERATIONAL - NON RES							
SCHOOL DISTRICT OPERATIONAL - NON RES 2004	\$ 17,964	\$ 17,944	\$ 1	\$ 17,945	\$ 1	\$ 182,250	\$ 19
SCHOOL DISTRICT OPERATIONAL - NON RES 2005	20,303	20,289	1	20,290	1	200,269	13
SCHOOL DISTRICT OPERATIONAL - NON RES 2006	20,918	20,905	1	20,906	1	206,067	12
SCHOOL DISTRICT OPERATIONAL - NON RES 2007	22,608	22,592	1	22,593	1	222,464	15
SCHOOL DISTRICT OPERATIONAL - NON RES 2008	221,747	221,369	181	221,550	179	221,865	197
SCHOOL DISTRICT OPERATIONAL - NON RES 2009	240,893	239,558	633	240,191	457	241,480	702
SCHOOL DISTRICT OPERATIONAL - NON RES 2010	237,221	235,666	1,102	236,768	1,523	236,544	453
SCHOOL DISTRICT OPERATIONAL - NON RES 2011	248,613	245,955	2,059	248,014	2,467	247,797	599
SCHOOL DISTRICT OPERATIONAL - NON RES 2012	250,204	244,291	4,353	248,644	5,357	248,056	1,560
SCHOOL DISTRICT OPERATIONAL - NON RES 2013	282,046	-	276,675	276,675	275,367	275,367	5,371
Total	\$ 1,562,517	\$ 1,268,569	\$ 285,007	\$ 1,553,576	\$ 285,354	\$ 2,282,159	\$ 8,941
028 SCHOOL DIST CAP IMPROV - NON RES							
SCHOOL DIST CAP IMPROV - NON RES 2004	\$ 718,551	\$ 717,758	\$ 36	\$ 717,794	\$ 36	\$ 729,032	\$ 757
SCHOOL DIST CAP IMPROV - NON RES 2005	812,107	811,564	36	811,600	23	801,160	507
SCHOOL DIST CAP IMPROV - NON RES 2006	836,736	836,205	39	836,244	39	824,328	492
SCHOOL DIST CAP IMPROV - NON RES 2007	904,308	903,673	47	903,720	47	889,918	588
SCHOOL DIST CAP IMPROV - NON RES 2008	886,990	885,475	726	886,201	717	887,464	789
SCHOOL DIST CAP IMPROV - NON RES 2009	963,570	958,232	2,533	960,765	1,830	965,923	2,805
SCHOOL DIST CAP IMPROV - NON RES 2010	948,884	942,663	4,408	947,071	6,092	946,173	1,813
SCHOOL DIST CAP IMPROV - NON RES 2011	994,454	983,820	8,236	992,056	9,867	991,187	2,398
SCHOOL DIST CAP IMPROV - NON RES 2012	1,000,815	977,164	17,411	994,575	21,429	992,227	6,240
SCHOOL DIST CAP IMPROV - NON RES 2013	1,128,185	-	1,106,700	1,106,700	1,101,469	1,101,469	21,485
Total	\$ 9,194,600	\$ 8,016,554	\$ 1,140,172	\$ 9,156,726	\$ 1,141,549	\$ 9,128,881	\$ 37,874
029 GALLUP BRANCH COLLEGE - NON RES							
GALLUP BRANCH COLLEGE - NON RES 2004	\$ 723,023	\$ 722,131	\$ 36	\$ 722,167	\$ 36	\$ 366,764	\$ 856
GALLUP BRANCH COLLEGE - NON RES 2005	817,332	816,675	36	816,711	23	806,290	621
GALLUP BRANCH COLLEGE - NON RES 2006	841,899	841,253	38	841,291	39	829,375	608
GALLUP BRANCH COLLEGE - NON RES 2007	909,699	908,947	47	908,994	47	895,192	705
GALLUP BRANCH COLLEGE - NON RES 2008	892,403	890,770	726	891,496	717	892,758	907
GALLUP BRANCH COLLEGE - NON RES 2009	968,744	963,287	2,534	965,821	1,830	970,979	2,923
GALLUP BRANCH COLLEGE - NON RES 2010	954,012	947,637	4,444	952,081	6,127	951,181	1,931
GALLUP BRANCH COLLEGE - NON RES 2011	999,224	988,454	8,263	996,717	9,894	995,848	2,507
GALLUP BRANCH COLLEGE - NON RES 2012	1,005,643	981,848	17,447	999,295	21,465	996,947	6,348
GALLUP BRANCH COLLEGE - NON RES 2013	1,132,587	-	1,111,008	1,111,008	1,105,777	1,105,777	21,579
Total	\$ 9,244,566	\$ 8,061,002	\$ 1,144,579	\$ 9,205,581	\$ 1,145,955	\$ 8,811,111	\$ 38,985

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031 REOBOTH CHRISTIAN HOSPITAL - NON RES							
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2004	\$ 723,023	\$ 722,132	\$ 35	\$ 722,167	\$ 36	\$ 733,492	\$ 856
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2005	817,332	816,674	37	816,711	23	806,291	621
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2006	841,899	841,253	38	841,291	39	829,374	608
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2007	909,699	908,947	48	908,995	47	895,192	704
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2008	892,403	890,770	726	891,496	717	892,758	907
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2009	968,744	963,287	2,534	965,821	1,830	970,979	2,923
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2010	954,012	947,637	4,444	952,081	6,127	951,181	1,931
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2011	999,224	988,453	8,264	996,717	9,894	995,848	2,507
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2012	1,005,643	981,848	17,447	999,295	21,465	996,947	6,348
REHOBOTH CHRISTIAN HOSPITAL - NON RES 2013	1,698,880	-	1,666,512	1,666,512	1,658,666	1,658,666	32,368
Total	\$ 9,810,859	\$ 8,061,001	\$ 1,700,085	\$ 9,761,086	\$ 1,698,844	\$ 9,730,728	\$ 49,773
032 UNM GALLUP SPECIAL VOCATIONAL NON - RES							
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2004	\$ 361,512	\$ 361,066	\$ 18	\$ 361,084	\$ 18	\$ 366,746	\$ 428
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2005	408,666	408,337	18	408,355	12	403,146	311
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2006	420,949	420,626	20	420,646	19	414,687	303
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2007	454,850	454,474	23	454,497	24	447,597	353
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2008	446,201	445,385	363	445,748	358	446,378	453
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2009	484,372	481,644	1,266	482,910	915	485,489	1,462
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2010	477,006	473,818	2,222	476,040	3,064	475,592	966
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2011	499,612	494,227	4,131	498,358	4,947	497,924	1,254
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2012	502,822	490,924	8,723	499,647	10,732	498,473	3,175
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2013	566,293	-	555,504	555,504	552,889	552,889	10,789
Total	\$ 4,622,283	\$ 4,030,501	\$ 572,288	\$ 4,602,789	\$ 572,978	\$ 4,588,921	\$ 19,494
061 RIO SAN JOSE FLOOD CONTROL - RES							
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	2,121	-	2,121	1	2,146	-
RIO SAN JOSE FLOOD CONTROL - RES 2009	2,258	2,211	24	2,235	26	2,322	23
RIO SAN JOSE FLOOD CONTROL - RES 2010	2,156	2,100	33	2,133	66	2,132	23
RIO SAN JOSE FLOOD CONTROL - RES 2011	2,117	1,986	99	2,085	107	2,067	32
RIO SAN JOSE FLOOD CONTROL - RES 2012	2,225	1,912	209	2,121	202	2,095	104
RIO SAN JOSE FLOOD CONTROL - RES 2013	2,247	-	1,933	1,933	1,888	1,888	314
Total	\$ 20,011	\$ 17,217	\$ 2,298	\$ 19,515	\$ 2,290	\$ 19,584	\$ 496

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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
062 RIO SAN JOSE FLOOD CONTROL NON - RES							
RIO SAN JOSE FLOOD CONTROL NON - RES 2004	\$ 23,948	\$ 23,948	\$ -	\$ 23,948	\$ -	\$ 24,356	\$ -
RIO SAN JOSE FLOOD CONTROL NON - RES 2005	23,694	23,693	-	23,693	-	23,369	1
RIO SAN JOSE FLOOD CONTROL NON - RES 2006	25,117	25,117	-	25,117	-	24,758	-
RIO SAN JOSE FLOOD CONTROL NON - RES 2007	26,508	26,505	-	26,505	-	26,106	3
RIO SAN JOSE FLOOD CONTROL NON - RES 2008	26,842	26,833	3	26,836	2	26,877	6
RIO SAN JOSE FLOOD CONTROL NON - RES 2009	23,081	23,062	7	23,069	4	23,117	12
RIO SAN JOSE FLOOD CONTROL NON - RES 2010	20,840	20,793	32	20,825	51	20,816	15
RIO SAN JOSE FLOOD CONTROL NON - RES 2011	21,817	21,711	60	21,771	46	21,749	46
RIO SAN JOSE FLOOD CONTROL NON - RES 2012	19,716	19,496	138	19,634	152	19,625	82
RIO SAN JOSE FLOOD CONTROL NON - RES 2013	26,362	-	26,088	26,088	26,006	26,006	274
Total	\$ 237,925	\$ 211,158	\$ 26,328	\$ 237,486	\$ 26,261	\$ 236,779	\$ 439
101 STATE DEBT SERVICE							
STATE DEBT SERVICE 2004	\$ 371,634	\$ 371,176	\$ 18	\$ 371,194	\$ -	\$ 378,135	\$ 440
STATE DEBT SERVICE 2005	504,294	503,888	22	503,910	-	498,669	384
STATE DEBT SERVICE 2006	543,446	543,029	25	543,054	-	543,016	392
STATE DEBT SERVICE 2007	555,372	554,912	29	554,941	-	585,993	431
STATE DEBT SERVICE 2008	557,752	556,731	454	557,185	448	601,317	567
STATE DEBT SERVICE 2009	557,028	553,890	1,457	555,347	1,052	515,367	1,681
STATE DEBT SERVICE 2010	-	-	-	-	-	-	-
STATE DEBT SERVICE 2011	-	-	-	-	-	-	-
STATE DEBT SERVICE 2012	-	-	-	-	-	-	-
STATE DEBT SERVICE 2013	-	-	-	-	-	-	-
Total	\$ 3,089,526	\$ 3,083,626	\$ 2,005	\$ 3,085,631	\$ 1,500	\$ 3,122,497	\$ 3,895
103 COUNTY DEBT SERVICE							
COUNTY DEBT SERVICE 2004	902,695	901,582	44	901,626	-	915,720	\$ 1,069
COUNTY DEBT SERVICE 2005	480,182	479,796	22	479,818	-	473,644	364
COUNTY DEBT SERVICE 2006	489,564	489,189	22	489,211	-	482,242	353
COUNTY DEBT SERVICE 2007	481,686	481,288	25	481,313	-	473,967	373
COUNTY DEBT SERVICE 2008	362,762	362,098	295	362,393	291	362,905	369
COUNTY DEBT SERVICE 2009	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2010	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2011	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2012	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2013	-	-	-	-	-	-	-
Total	\$ 2,716,889	\$ 2,713,953	\$ 408	\$ 2,714,361	\$ 291	\$ 2,708,478	\$ 2,528

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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
105 GALLUP MUNICIPAL DEBT SERVICE							
GALLUP MUNICIPAL DEBT SERVICE 2004	\$ 250,348	\$ 250,092	\$ 40	\$ 250,132	\$ -	\$ 253,370	\$ 216
GALLUP MUNICIPAL DEBT SERVICE 2005	289,257	288,947	41	288,988	-	285,866	269
GALLUP MUNICIPAL DEBT SERVICE 2006	186,915	186,751	26	186,777	-	184,281	138
GALLUP MUNICIPAL DEBT SERVICE 2007	339,061	338,692	50	338,742	-	333,616	319
GALLUP MUNICIPAL DEBT SERVICE 2008	342,675	341,438	726	342,164	688	343,057	511
GALLUP MUNICIPAL DEBT SERVICE 2009	339,955	335,012	2,350	337,362	1,587	341,195	2,593
GALLUP MUNICIPAL DEBT SERVICE 2010	338,380	333,460	3,577	337,037	5,179	336,288	1,343
GALLUP MUNICIPAL DEBT SERVICE 2011	212,400	207,325	4,204	211,529	5,579	211,339	871
GALLUP MUNICIPAL DEBT SERVICE 2012	255,579	242,484	10,285	252,769	13,366	251,045	2,810
GALLUP MUNICIPAL DEBT SERVICE 2013	220,007	-	209,486	209,486	206,902	206,902	10,521
Total	\$ 2,774,577	\$ 2,524,201	\$ 230,785	\$ 2,754,986	\$ 233,301	\$ 2,746,959	\$ 19,591
107 SCHOOL DISTRICT DEBT SERVICE							
SCHOOL DISTRICT DEBT SERVICE 2004	\$ 2,895,041	\$ 2,891,848	\$ 143	\$ 2,891,991	\$ -	\$ 2,937,123	\$ 3,050
SCHOOL DISTRICT DEBT SERVICE 2005	3,295,528	3,293,327	148	3,293,475	-	3,250,752	2,053
SCHOOL DISTRICT DEBT SERVICE 2006	3,392,963	3,390,813	156	3,390,969	-	3,342,374	1,994
SCHOOL DISTRICT DEBT SERVICE 2007	3,668,324	3,665,749	192	3,665,941	-	3,609,667	2,383
SCHOOL DISTRICT DEBT SERVICE 2008	3,703,628	3,697,302	3,032	3,700,334	2,993	3,705,600	3,294
SCHOOL DISTRICT DEBT SERVICE 2009	4,025,314	4,003,012	10,583	4,013,595	7,644	4,035,143	11,719
SCHOOL DISTRICT DEBT SERVICE 2010	3,970,605	3,944,571	18,447	3,963,018	25,490	3,959,259	7,587
SCHOOL DISTRICT DEBT SERVICE 2011	4,154,331	4,109,905	34,408	4,144,313	41,219	4,140,685	10,018
SCHOOL DISTRICT DEBT SERVICE 2012	4,177,901	4,079,170	72,684	4,151,854	89,455	4,142,052	26,047
SCHOOL DISTRICT DEBT SERVICE 2013	4,700,018	-	4,610,512	4,610,512	4,588,722	4,588,722	89,506
Total	\$ 37,983,653	\$ 33,075,697	\$ 4,750,305	\$ 37,826,002	\$ 4,755,523	\$ 37,711,377	\$ 157,651
110 GALLUP BRANCH DEBT SERVICE							
GALLUP BRANCH DEBT SERVICE 2004	\$ 723,024	\$ 722,132	\$ 35	\$ 722,167	\$ -	\$ 733,456	\$ 857
GALLUP BRANCH DEBT SERVICE 2005	1,225,998	1,225,011	55	1,225,066	-	1,209,303	932
GALLUP BRANCH DEBT SERVICE 2006	841,899	841,253	38	841,291	-	829,307	608
GALLUP BRANCH DEBT SERVICE 2007	909,700	908,947	48	908,995	-	895,122	705
GALLUP BRANCH DEBT SERVICE 2008	892,403	890,770	726	891,496	717	892,758	907
GALLUP BRANCH DEBT SERVICE 2009	1,210,930	1,204,109	3,167	1,207,276	2,287	1,213,724	3,654
GALLUP BRANCH DEBT SERVICE 2010	1,192,515	1,184,546	5,555	1,190,101	7,659	1,188,978	2,414
GALLUP BRANCH DEBT SERVICE 2011	1,249,030	1,235,567	10,329	1,245,896	12,367	1,244,810	3,134
GALLUP BRANCH DEBT SERVICE 2012	1,674,396	1,634,776	29,050	1,663,826	35,738	1,659,915	10,570
GALLUP BRANCH DEBT SERVICE 2013	1,885,757	-	1,849,828	1,849,828	1,841,119	1,841,119	35,929
Total	\$ 11,805,652	\$ 9,847,111	\$ 1,898,831	\$ 11,745,942	\$ 1,899,887	\$ 11,708,492	\$ 59,710

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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
113 ZUNI SCHOOL DISTRICT OPER NON-RES							
ZUNI SCHOOL DISTRICT OPER NON - RES 2004	\$ 1,118	\$ 1,094	\$ -	\$ 1,094	\$ -	\$ 1,115	\$ 24
ZUNI SCHOOL DISTRICT OPER NON - RES 2005	1,306	1,278	-	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	1,318	1	1,319	-	1,319	29
ZUNI SCHOOL DISTRICT OPER NON - RES 2008	1,353	1,323	1	1,324	-	1,323	29
ZUNI SCHOOL DISTRICT OPER NON - RES 2009	1,293	1,264	-	1,264	-	1,264	29
ZUNI SCHOOL DISTRICT OPER NON - RES 2010	1,282	1,243	9	1,252	9	1,253	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2011	1,193	1,159	6	1,165	7	1,165	28
ZUNI SCHOOL DISTRICT OPER NON - RES 2012	1,207	1,171	9	1,180	9	1,180	27
ZUNI SCHOOL DISTRICT OPER NON - RES 2013	1,100	-	1,077	1,077	1,077	1,077	23
Total	\$ 12,491	\$ 11,112	\$ 1,103	\$ 12,215	\$ 1,102	\$ 12,158	\$ 276
114 ZUNI SCHOOL DISTRICT DEBT SERV NON-RES							
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2004	\$ 6,725	\$ 6,576	\$ -	\$ 6,576	\$ -	\$ 6,707	\$ 149
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2005	7,057	6,901	-	6,901	-	6,927	156
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2006	7,574	7,405	-	7,405	-	7,405	169
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	14,827	14,383	103	14,486	103	14,486	341
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2011	8,384	8,144	48	8,192	47	8,191	192
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2012	10,944	10,616	80	10,696	81	10,697	248
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2013	10,226	-	10,007	10,007	10,007	10,007	219
Total	\$ 94,283	\$ 81,936	\$ 10,238	\$ 92,174	\$ 10,238	\$ 92,330	\$ 2,109
115 ZUNI SCHOOL DIST CAP IMPROV NON-RES							
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2004	\$ 4,473	\$ 4,373	\$ 1	\$ 4,374	\$ -	\$ 4,461	\$ 99
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2005	5,225	5,110	-	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	5,128	4,974	36	5,010	36	5,010	118
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2011	4,770	4,634	27	4,661	27	4,661	109
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2012	4,829	4,684	35	4,719	36	4,720	110
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2013	4,402	-	4,308	4,308	4,308	4,308	94
Total	\$ 49,969	\$ 44,448	\$ 4,407	\$ 48,855	\$ 4,407	\$ 48,641	\$ 1,114

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119 ZUNI SCHOOL DIST EDUC TECH NON-RES							
ZUNI SCHOOL DIST EDUC TECH NON - RES 2004	\$ 52,036	\$ 50,881	\$ -	\$ 50,881	\$ -	\$ 51,896	\$ 1,155
ZUNI SCHOOL DIST EDUC TECH NON - RES 2005	38,098	37,259	-	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	23,477	-	23,477	-	22,149	523
ZUNI SCHOOL DIST EDUC TECH NON - RES 2009	23,166	22,637	-	22,637	-	938	529
ZUNI SCHOOL DIST EDUC TECH NON - RES 2010	23,257	22,560	163	22,723	162	22,722	534
ZUNI SCHOOL DIST EDUC TECH NON - RES 2011	57,540	55,898	326	56,224	326	56,225	1,316
ZUNI SCHOOL DIST EDUC TECH NON - RES 2012	-	-	-	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH NON - RES 2013	-	-	-	-	-	-	-
Total	\$ 254,640	\$ 248,460	\$ 489	\$ 248,949	\$ 488	\$ 250,103	\$ 5,691
951 CATTLE INDEMNITY							
CATTLE INDEMNITY 2004	\$ 11,454	\$ 11,454	\$ -	\$ 11,454	\$ -	\$ 11,454	\$ -
CATTLE INDEMNITY 2005	13,746	13,659	-	13,659	-	13,659	87
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	12,381	-	12,381	-	12,381	98
CATTLE INDEMNITY 2009	13,328	13,218	-	13,218	-	13,237	110
CATTLE INDEMNITY 2010	13,495	13,400	-	13,400	-	13,400	95
CATTLE INDEMNITY 2011	15,328	15,210	-	15,210	-	15,209	118
CATTLE INDEMNITY 2012	17,980	17,401	410	17,811	1,386	17,825	169
CATTLE INDEMNITY 2013	21,190	-	20,299	20,299	20,295	20,295	891
Total	\$ 156,650	\$ 134,095	\$ 20,709	\$ 154,804	\$ 21,681	\$ 154,832	\$ 1,846
952 SHEEP							
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	1	145	1	145	-
SHEEP 2009	94	93	1	94	1	94	-
SHEEP 2010	94	93	1	94	1	94	-
SHEEP 2011	155	152	1	153	1	153	2
SHEEP 2012	180	177	2	179	20	179	1
SHEEP 2013	169	-	162	162	162	162	7
Total	\$ 1,687	\$ 1,509	\$ 168	\$ 1,677	\$ 186	\$ 1,677	\$ 10

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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
953 GOATS							
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	16	16	-	16	-	16	-
GOATS 2010	20	20	-	20	-	19	-
GOATS 2011	25	23	-	23	-	24	2
GOATS 2012	84	81	-	81	9	81	3
GOATS 2013	99	-	95	95	95	95	4
Total	\$ 398	\$ 294	\$ 95	\$ 389	\$ 104	\$ 389	\$ 9
955 HOGS							
HOGS 2004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HOGS 2005	-	-	-	-	-	-	-
HOGS 2006	-	-	-	-	-	-	-
HOGS 2007	-	-	-	-	-	-	-
HOGS 2008	2	2	-	2	-	2	-
HOGS 2009	-	-	-	-	-	-	-
HOGS 2010	-	-	-	-	-	-	-
HOGS 2011	-	-	-	-	-	-	-
HOGS 2012	1	1	-	1	-	1	-
HOGS 2013	-	-	-	-	-	-	-
Total	\$ 3	\$ 3	\$ -	\$ 3	\$ -	\$ 3	\$ -
956 DAIRY							
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	8	-	-	-	-	-	8
DAIRY 2011	12	2	-	2	-	2	10
DAIRY 2012	3	3	-	3	-	3	-
DAIRY 2013	2	-	2	2	2	2	-
Total	\$ 94	\$ 74	\$ 2	\$ 76	\$ 2	\$ 3,434	\$ 18

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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
957 BISON							
BISON 2004	\$ 40	\$ 40	\$ -	\$ 40	\$ -	\$ 40	\$ -
BISON 2005	-	-	-	-	-	-	-
BISON 2006	-	-	-	-	-	-	-
BISON 2007	-	-	-	-	-	-	-
BISON 2008	-	-	-	-	-	-	-
BISON 2009	-	-	-	-	-	-	-
BISON 2010	-	-	-	-	-	-	-
BISON 2011	-	-	-	-	-	-	-
BISON 2012	-	-	-	-	-	-	-
BISON 2013	-	-	-	-	-	-	-
Total	\$ 40	\$ 40	\$ -	\$ 40	\$ -	\$ 40	\$ -
980 DCLPEN							
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	-	-	-	-	-	-	-
DCLPEN 2013	-	-	-	-	-	-	-
Total	\$ 4,505	\$ 4,275	\$ -	\$ 4,275	\$ -	\$ 4,275	\$ 230
990 TREASURER ADMIN FEE							
TREASURER ADMIN FEE 2004	\$ 374	\$ 374	\$ -	\$ 374	\$ -	\$ 374	\$ -
TREASURER ADMIN FEE 2005	513	513	-	513	-	513	-
TREASURER ADMIN FEE 2006	390	390	-	390	-	390	-
TREASURER ADMIN FEE 2007	340	340	-	340	-	343	-
TREASURER ADMIN FEE 2008	357	357	-	357	-	357	-
TREASURER ADMIN FEE 2009	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2010	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2011	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2012	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2013	-	-	-	-	-	-	-
Total	\$ 1,974	\$ 1,974	\$ -	\$ 1,974	\$ -	\$ 1,977	\$ -

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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	\$ 377	\$ 364	-	\$ 364	\$ -	\$ 369	\$ 13
HORSES, MULES & ASSES 2010	401	396	-	396	-	391	5
HORSES, MULES & ASSES 2011	443	427	-	427	-	425	16
HORSES, MULES & ASSES 2012	467	388	12	400	22	408	67
HORSES, MULES & ASSES 2013	353	-	276	276	267	267	77
Total	\$ 2,041	\$ 1,575	\$ 288	\$ 1,863	\$ 289	\$ 1,860	\$ 178
958 ALPACA & LLAMA							
ALPACAS & LLAMAS 2010	\$ 3	\$ 3	-	\$ 3	\$ -	\$ 3	\$ -
ALPACAS & LLAMAS 2011	3	3	-	3	-	5	-
ALPACAS & LLAMAS 2012	5	5	-	5	-	5	-
ALPACAS & LLAMAS 2013	6	-	6	6	-	-	-
Total	\$ 17	\$ 11	\$ 6	\$ 17	\$ -	\$ 13	\$ -
959 RATITIES							
RATITIES 2010	\$ -	\$ -	-	\$ -	\$ -	\$ -	-
RATITIES 2011	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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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
GRAND TOTALS	\$ 236,598,196	\$ 205,762,218	\$ 29,122,095	\$ 234,884,313	\$ 29,193,022	\$ 234,865,628	\$ 1,713,883
2004	\$ 18,893,805	\$ 18,876,221	\$ 951	\$ 18,877,172	\$ 1,175	\$ 18,877,920	\$ 16,633
2005	21,210,791	21,196,414	1,075	21,197,489	1,073	21,199,877	13,302
2006	21,062,168	21,049,573	1,005	21,050,578	1,244	21,091,602	11,590
2007	22,934,499	22,914,129	5,454	22,919,583	5,859	22,983,950	14,916
2008	23,193,859	23,151,521	23,017	23,174,538	22,718	23,265,985	19,321
2009	24,560,846	24,409,452	82,791	24,492,243	71,453	24,643,562	68,603
2010	24,677,203	24,467,752	150,634	24,618,386	223,287	24,588,854	58,817
2011	25,125,323	24,690,348	326,524	25,016,872	353,964	24,958,820	108,451
2012	26,041,081	25,006,808	697,124	25,703,932	882,069	25,624,878	337,149
2013	28,898,621	-	27,833,520	27,833,520	27,630,180	27,630,180	1,065,101
	\$ 236,598,196	\$ 205,762,218	\$ 29,122,095	\$ 234,884,313	\$ 29,193,022	\$ 234,865,628	\$ 1,713,883

See independent auditors' report

STATE OF NEW MEXICO
 McKinley County
 Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2014

Schedule V

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Assets</i>				
Cash	\$ 702,716	\$ 20,681,674	\$ 21,075,147	\$ 309,243
Investments	-	502,736	-	502,736
Property taxes receivable	<u>1,421,263</u>	<u>28,898,621</u>	<u>29,018,867</u>	<u>1,301,017</u>
<i>Total assets</i>	<u><u>\$ 2,123,979</u></u>	<u><u>\$ 50,083,031</u></u>	<u><u>\$ 50,094,014</u></u>	<u><u>\$ 2,112,996</u></u>
 <i>Liabilities</i>				
Accounts payable	\$ 1,810	\$ 11,216	\$ 1,810	\$ 11,216
Due to other taxing entities	1,421,263	28,898,621	29,018,867	1,301,017
Deposits held in trust	<u>700,906</u>	<u>21,173,194</u>	<u>21,073,337</u>	<u>800,763</u>
<i>Total liabilities</i>	<u><u>\$ 2,123,979</u></u>	<u><u>\$ 50,083,031</u></u>	<u><u>\$ 50,094,014</u></u>	<u><u>\$ 2,112,996</u></u>

See independent auditors' report

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, and the budgetary comparisons of the general fund and major special revenue funds of McKinley County (the "County") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual fund statements and related budgetary comparisons of the County, presented as supplementary information, and have issued our report thereon dated November 1, 2014.

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.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item FS 2012-003 (FS 12-03).

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, 2014

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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, 2014. 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, 2014.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness as described in the accompanying schedule of findings and questioned costs as item FA 2014-001.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, 2014

STATE OF NEW MEXICO
 McKinley County
 Schedule of Expenditures of Federal Awards
 For the year ended June 30, 2014

Federal Grantor/Passthrough Grantor/Program Title	Grant Number	Federal C.F.D.A. Number	Federal Expenditures
U.S. Department of Health & Human Services			
Substance Abuse and Mental Health			
Services	FY13 Optium Health NM BHSD	93.243	\$ 53,617
Affordable Care Act (ACA)	A 14-690-16311	93.505	93,222
PPHF 2012:	MOA 16756	93.531	67,500
Total U.S. Department of Health & Human Services			214,339
U.S. Department of Justice			
Tribal Youth Program	2010-TY-FX-0005	16.731 *	122,611
Edward Byrne Memorial Justice Assistance Grant Program	2013-DJ-BX-0939	16.738	16,109
Total U.S. Department of Justice			138,720
U.S. Department of Transportation			
Alcohol Impaired Driving Countermeasures			
Incentive Grants I	2013-DJ-BX-0939	20.601	32,261
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	13-AL-64--P04	20.608 * (1)	258,739
Full Time Law Enforcement DWI Officers Operation Driving While Intoxicated (ODWI)	13-AL-062F64-P01	20.608 * (1)	55,912
Recreational Trails Program	14-AL-64-062	20.608 * (1)	4,765
	EMNRD 11-521-0551-0156	20.219	86,258
Total U.S. Department of Transportation			437,935
U.S. Department of Interior			
Title II Secure Rural Schools and Communities	12-DG-11030300-020	15.234	38,556
Water Desalination Research and Development Program	R11AP40080	15.506 *	99,744
Total U.S. Department of Interior			138,300
Department of Homeland Security			
Interagency Hazardous Materials Public Sector Training and Planning Grants			
	HM-HMP-0293-12-01-00	20.703 (2)	20,616
Interagency Hazardous Materials Public Sector Training and Planning Grants			
	HM-HMP-0362-13-01-00	20.703 (2)	15,169
Disaster Grants - Public Assistance	FEMA 1936-DR-NM FEMA-1936-006	97.036 (3)	18,749
Disaster Grants - Public Assistance	FEMA-1936-DR-NM FEMA 1936-0006	97.036 (3)	7,020
Emergency Management Performance Grants	EMW-2011-EP-00051-MCKINLEY COUNTY	97.042	51,424
Pre-Disaster Mitigation	PDMC-PL-06-NM-2012-002-MCKINLEY COUNTY	97.047	26,154
Homeland Security Grant Program	2010-SS-TO-0011-Mckinley	97.067 * (4)	3,738
Homeland Security Grant Program	2011-SS-00094-S01	97.067 * (4)	36,849
Homeland Security Grant Program	EMW-2012-SS-00097-S01-MCKINLEY COUNTY	97.067 * (4)	20,692
Homeland Security Grant Program	EMW-2012-SS-00097-S01-MCKINLEY COUNTY	97.067 * (4)	49,159
Total Department of Homeland Security			249,570
Total Federal Financial Assistance			\$ 1,178,864

* 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	\$ 1,178,864
Total expenditures funded by other sources	<u>39,151,277</u>
Total expenditures	<u><u>\$ 40,330,141</u></u>

STATE OF NEW MEXICO
 McKinley County
 Schedule of Findings and Questioned Costs
 June 30, 2014

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? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards:

- | 1. Type of auditors’ report issued on compliance for major programs | Unmodified | | | | | | | | | | |
|---|--|-----------------|--------|--|--------|---|--------|---------------------------------|--------|----------------------|--|
| 2. Internal control over major programs: | | | | | | | | | | | |
| a. Material weaknesses identified? | Yes | | | | | | | | | | |
| 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? | Yes | | | | | | | | | | |
| 4. Identification of major programs: | | | | | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CFDA
Number</th> <th style="text-align: center; border-bottom: 1px solid black;">Federal Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">20.608</td> <td>Minimum Penalties for Repeat Offenders for Driving While Intoxicated</td> </tr> <tr> <td style="text-align: center;">15.506</td> <td>Water Desalination Research and Development Program</td> </tr> <tr> <td style="text-align: center;">97.067</td> <td>Homeland Security Grant Program</td> </tr> <tr> <td style="text-align: center;">16.731</td> <td>Tribal Youth Program</td> </tr> </tbody> </table> | CFDA
Number | Federal Program | 20.608 | Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 15.506 | Water Desalination Research and Development Program | 97.067 | Homeland Security Grant Program | 16.731 | Tribal Youth Program | |
| CFDA
Number | Federal Program | | | | | | | | | | |
| 20.608 | Minimum Penalties for Repeat Offenders for Driving While Intoxicated | | | | | | | | | | |
| 15.506 | Water Desalination Research and Development Program | | | | | | | | | | |
| 97.067 | Homeland Security Grant Program | | | | | | | | | | |
| 16.731 | Tribal Youth Program | | | | | | | | | | |
| 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 2012-003 (FS 12-03) — Insufficient Internal Controls over Procurement – Request for Proposal- Other Matter

Condition: During testwork over the County’s compliance with the State of New Mexico procurement code, we noted the County did not properly apply the State Procurement Code and procured services without performing the necessary request for proposal for one (1) out of sixty-eight (68) samples reviewed.

Criteria: NMSA 1978, Section 13-1-103 *Invitation for bids* states “An invitation for bids shall be issued and shall include the specifications for the services, construction or items of tangible personal property to be procured, all contractual terms and conditions applicable to the procurement, the location where bids are to be received, the date, time and place of the bid opening and the requirements for complying with any applicable in-state preference provisions as provided by law.”

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 did not follow the rules promulgated in the New Mexico Procurement Code and the County Purchasing Policy due to an oversight by management during the procurement process.

Auditors’ Recommendations: The County should ensure policies pertaining to the application of the New Mexico Procurement Code, Regulations and County Policy pertaining to purchasing are being followed in every procurement of the County.

Management Response: McKinley County has placed internal controls so that all proposed small purchase agreements/contracts shall be reviewed by the legal and procurement departments prior to the County Manager’s approval. In addition, all purchases in excess of the SMALL PURCHASE’S threshold shall be procured in accordance with state statute and the County procurement policy.

Section III – Federal Award Findings

FA 2014-001 — Preparation of the Schedule of Federal Expenditures (SEFA)– Material Weakness

Federal Program Information:

Funding agency: All agencies listed in the Schedule of Expenditures of Federal Awards
Title: All federal programs
CFDA number: All federal programs

Condition: The County failed to produce an accurate original SEFA and created several versions before a correct schedule was delivered to the auditors. In the review process of the SEFA, errors were noted as follows:

- Grants with different CFDA numbers were included together on the SEFA
- Several State grants were included on the SEFA as federal expenditures
- Expenditures reported on the SEFA were inaccurate
- Incorrect CFDA numbers were noted for several grants reported on the SEFA.

Criteria: The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require that management have procedures in place for identifying federal, state, and other awards, properly classifying expenditures in the correct programs and under the correct CFDA numbers, and ensuring that expenditures reported for federal programs are accurate.

Questioned Costs: None

Effect: Without proper grant awards reported on the SEFA, it is impossible to properly assess programs in order to select grants and test in accordance with the Single Audit Act. Also, without proper processes and internal controls to properly track federal expenditures by grant, the risk of noncompliance and unallowable costs are heightened.

Cause: An accurate SEFA was not originally produced due to oversights by management resulting in a failure to properly separate grants and accurately transfer information from the individual grants to the SEFA..

Auditors' Recommendation: The County should ensure that a comprehensive internal control structure is designed, documented, and implemented to ensure all grants transactions are properly tracked by federal and state grant, and all information is accurately documented on the SEFA.

Management's Response: McKinley County will develop and implement comprehensive internal controls to document and properly track all federal and state grant transactions; and, to insure that all information is accurately maintained in a similar format in a centralized assessable location. The reconciliation to the General Ledger shall be performed on a quarterly basis.

STATE OF NEW MEXICO
McKinley County
Schedule of Findings and Questioned Costs
June 30, 2014

Schedule VII
Page 4 of 4

Section IV – Summary of Prior Year Audit Findings

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

FS 11-03 — Travel and Per Diem - Other Matters (Resolved)

FS 12-03 Insufficient Internal Controls over Procurement – Request for Proposal- Other Matters (Repeat/Modified)

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

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

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

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

STATE OF NEW MEXICO

McKinley County

Other Disclosures

June 30, 2014

Exit Conference

An exit conference was held on November 5, 2014. This conference was held in a closed meeting. In attendance were the following:

Representing McKinley County:

Genevieve Jackson, County Commissioner
Carol Bowman-Muskett, County Commissioner
Anthony Tanner, County Commissioner
Earnest C. Becenti, County Treasurer
Bill Lee, County Manager
Sara Keeler, Finance Director
Douglas W. Decker, County Attorney
Robert P. Griego, Senior Deputy Treasurer
Anthony Dimas, Grants Director
Hugo Cano, Procurement Officer
Brian Money, Risk Management
Ron Caviggia, Procurement Manager

Representing Accounting & Consulting Group, LLP:

Robert Cordova, CPA, Partner (Teleconference)
Robert Gonzales, Supervisor

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.