

STATE OF NEW MEXICO  
MORA COUNTY

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FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2010  
WITH  
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

The logo for Keystone Accounting, LLC features a stylized 'K' and 'A' intertwined. The 'K' is a large, ornate, serif letter with a decorative flourish at the top. The 'A' is a smaller, similar serif letter. The rest of the company name is in a clean, serif font.  
KEYSTONE ACCOUNTING, LLC  
CERTIFIED PUBLIC ACCOUNTANTS

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## INTRODUCTORY SECTION

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STATE OF NEW MEXICO  
MORACOUNTY

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MORACOUNTY

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STATE OF NEW MEXICO  
MORA COUNTY

OFFICIAL ROSTER  
June 30, 2010

Elected Officials

Peter A. Martinez	Commission Chairman
Gene Maes	Commission Vice Chairman
Laudente Quintana	County Commissioner
Joanne E. Padilla-Salas	County Clerk
Ida E. Mora	County Treasurer
Angela K. Romero	County Assessor
Roy Cordova	County Sheriff
Victoria Lujan	Probate Judge

Administrative Officials

Peter A. Martinez	Acting County Manager
Yolanda Medina	DWI Coordinator
David Montoya	Road Superintendent

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**FINANCIAL SECTION**

**FISCAL YEAR 2010**

**JULY 1, 2009 THROUGH JUNE 30, 2010**

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# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

Telephone (505) 566-1900  
Fax (505) 566-1911

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## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor  
Members of the Mora County Commissioners

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund, and major special revenue funds of Mora County, as of and for the year ended June 30, 2010, 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 non-major governmental, fiduciary funds and the budgetary comparisons for the major capital project funds, debt service funds, permanent funds and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010 as listed in the table of contents. These financial statements are the responsibility of Mora County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Mora County, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General fund and major special revenue funds for the year then ended in conformity 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 non-major governmental fund, enterprise fund, and fiduciary fund of the Mora County, as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparisons for the non-major governmental funds and enterprise funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
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[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

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Fax (505) 566-1911

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Hector H. Balderas, State Auditor  
Members of the Mora County Commissioners,

In accordance with Government Auditing Standards, we have also issued our report dated October 15, 2010, on our consideration of Mora County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 and should be considered in conjunction with this report in assessing the results of our audit.

The County has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, and is not a required part of the basic financial statements. The additional schedules listed as "other supplemental information" in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Keystone Accounting, LLC*

October 15, 2010

## **BASIC FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
MORA COUNTY

STATEMENT OF NET ASSETS  
June 30, 2010

	Primary Government		<u>Total</u>
	<u>Governmental</u> <u>Activities</u>	<u>Business type</u> <u>Activities</u>	
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,288,192	\$ 3,038	\$ 2,291,230
Receivables:			
Delinquent property taxes receivable	40,142	-	40,142
Loan	2,541	-	2,541
Accounts (net of allowance for uncollectables)	-	31,742	31,742
Intergovernmental	398,980	-	398,980
Deferred bond issuance costs	7,610	-	7,610
Prepaid insurance	11,367	-	11,367
Non-current:			
Non-depreciable assets	5,684,161	-	5,684,161
Depreciable capital assets, net	7,595,809	-	7,595,809
 Total assets	 16,028,802	 34,780	 16,063,582
<u>LIABILITIES</u>			
Accounts payable	196,076	8,578	204,654
Accrued liabilities	10,922	1,090	12,012
Accrued interest	22,433	-	22,433
Compensated absences	38,797	-	38,797
Noncurrent liabilities:			
Due within one year	254,022	-	254,022
Due in more than one year	3,271,372	-	3,271,372
 Total liabilities	 3,793,622	 9,668	 3,803,290
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	9,667,761	-	9,667,761
Restricted:			
Debt service	234,951	-	234,951
Capital projects	384,917	-	384,917
Unrestricted	1,947,551	25,112	1,972,663
 Total net assets	 \$ 12,235,180	 \$ 25,112	 \$ 12,260,292

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
MORA COUNTY

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2010

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 1,487,453	\$ 70,400	\$ 168,172	\$ -	\$ (1,248,881)	\$ -	\$ (1,248,881)
Public safety	1,502,976	71,133	169,926	-	(1,261,917)	-	(1,261,917)
Public works	786,693	37,233	88,944	-	(660,516)	-	(660,516)
Culture and recreation	355	17	40	-	(298)	-	(298)
Bond interest paid	113,884	-	-	-	(113,884)	-	(113,884)
<b>Total governmental activities</b>	<b>\$ 3,891,361</b>	<b>\$ 178,783</b>	<b>\$ 427,082</b>	<b>\$ -</b>	<b>(3,285,496)</b>	<b>-</b>	<b>(3,285,496)</b>
<b>Business-type activities:</b>							
Sanitary land fill	\$ 245,558	\$ 183,819	\$ -	\$ -	-	(61,739)	(61,739)
<b>General revenues:</b>							
<b>Taxes:</b>							
Property					995,283		995,283
Penalties and interest					31,985		31,985
Payments in lieu					92,622		92,622
Gross receipts					296,607	-	296,607
Cigarette					4,456		4,456
Gasoline					88,654		88,654
Grants and contributions not restricted					2,652,842	-	2,652,842
Unrestricted investment earnings					1,080	-	1,080
Miscellaneous income					80,717	-	80,717
Transfers					(40,000)	40,000	-
<b>Total general revenues and transfers</b>					<b>4,204,246</b>	<b>40,000</b>	<b>4,244,246</b>
<b>Change in net assets</b>					<b>918,750</b>	<b>(21,739)</b>	<b>897,011</b>
<b>Net assets - previously reported</b>					<b>11,393,160</b>	<b>46,851</b>	<b>11,440,011</b>
<b>Restatement</b>					<b>(76,730)</b>	<b>-</b>	<b>(76,730)</b>
<b>Net assets - as restated</b>					<b>11,316,430</b>	<b>46,851</b>	<b>11,363,281</b>
<b>Net assets - ending</b>					<b>\$ 12,235,180</b>	<b>\$ 25,112</b>	<b>\$ 12,260,292</b>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA COUNTY

GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2010

	General Fund	Road Fund	VFD Fire Excise Share Fund	CHET VFD SAP Fund	Severance Bond SAP Fund	Debt Service Fund	CDBG Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>									
Pooled cash and investments	\$ 500,518	\$ 252,568	\$ 283,298	\$ 39,428	\$ (56,159)	\$ 569,842	\$ -	\$ 698,697	\$ 2,288,192
Receivables:									
Delinquent property taxes	33,396	-	-	-	-	6,746	-	-	40,142
Loan	-	-	-	-	-	-	-	2,541	2,541
Intergovernmental	10,714	245,260	17,866	-	4,718	-	102,988	17,434	398,980
Prepaid insurance	11,367	-	-	-	-	-	-	-	11,367
	<u>555,995</u>	<u>497,828</u>	<u>301,164</u>	<u>39,428</u>	<u>(51,441)</u>	<u>576,588</u>	<u>102,988</u>	<u>718,672</u>	<u>2,741,222</u>
Total assets	<u>\$ 555,995</u>	<u>\$ 497,828</u>	<u>\$ 301,164</u>	<u>\$ 39,428</u>	<u>\$ (51,441)</u>	<u>\$ 576,588</u>	<u>\$ 102,988</u>	<u>\$ 718,672</u>	<u>\$ 2,741,222</u>
<u>LIABILITIES AND FUND BALANCE</u>									
Liabilities:									
Accounts payable	\$ 29,456	\$ 5,619	\$ 2,622	\$ 38,622	\$ -	\$ -	\$ 92,903	\$ 26,854	\$ 196,076
Accrued salaries	7,917	2,453	-	-	-	-	-	552	10,922
	<u>37,373</u>	<u>8,072</u>	<u>2,622</u>	<u>38,622</u>	<u>-</u>	<u>-</u>	<u>92,903</u>	<u>27,406</u>	<u>206,998</u>
Total liabilities	<u>37,373</u>	<u>8,072</u>	<u>2,622</u>	<u>38,622</u>	<u>-</u>	<u>-</u>	<u>92,903</u>	<u>27,406</u>	<u>206,998</u>
Fund balance:									
Reserved:									
Retirement of long-term debt	-	-	-	-	-	211,841	-	-	211,841
Unreserved reported in:									
General fund	518,622	-	-	-	-	-	-	-	518,622
Special revenue funds	-	489,756	298,542	806	(51,441)	-	-	691,266	1,428,929
Capital projects funds	-	-	-	-	-	364,747	10,085	-	374,832
	<u>518,622</u>	<u>489,756</u>	<u>298,542</u>	<u>806</u>	<u>(51,441)</u>	<u>576,588</u>	<u>10,085</u>	<u>691,266</u>	<u>2,534,224</u>
Total fund balance	<u>518,622</u>	<u>489,756</u>	<u>298,542</u>	<u>806</u>	<u>(51,441)</u>	<u>576,588</u>	<u>10,085</u>	<u>691,266</u>	<u>2,534,224</u>
Total liabilities and fund balance	<u>\$ 555,995</u>	<u>\$ 497,828</u>	<u>\$ 301,164</u>	<u>\$ 39,428</u>	<u>\$ (51,441)</u>	<u>\$ 576,588</u>	<u>\$ 102,988</u>	<u>\$ 718,672</u>	<u>\$ 2,741,222</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA COUNTY

RECONCILIATION OF THE BALANCE SHEET - ALL  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
June 30, 2010

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balances - total governmental funds	\$ 2,534,224
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets	17,479,180
Accumulated depreciation	(4,199,210)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds payable	(3,525,394)
Accrued interest payable	(22,433)
Accrued vacation payable	(38,797)
Bond issue costs	<u>7,610</u>
Net assets of governmental activities	<u><u>\$ 12,235,180</u></u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA COUNTY

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	General Fund	Road Fund	VFD Fire Excise Share Fund	CHET VFD SAP Fund	Severance Bond SAP Fund	Debt Service Fund	CDBG Fund	Other Governmental Funds	Total Governmental Funds
Revenues:									
Federal sources:									
Forest reserve	\$ -	\$ 173,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 173,460
Federal grant	-	129,554	-	-	-	-	-	-	129,554
Federal direct grant	-	-	-	-	-	-	294,898	-	294,898
Local sources:									
Taxes:									
Property	835,267	-	-	-	-	160,016	-	-	995,283
Penalties and interest	30,911	66	-	46	-	-	-	962	31,985
Payments in lieu	92,622	-	-	-	-	-	-	-	92,622
Gross receipts	126,463	47,370	18,520	-	-	-	-	104,254	296,607
Cigarette	3,202	-	-	-	-	-	-	1,254	4,456
Gasoline	-	88,654	-	-	-	-	-	-	88,654
Intergovernmental	361,780	147,512	17,866	-	790,510	-	-	935,301	2,252,969
Licenses and permits	102,387	124,026	-	-	-	-	-	-	226,413
Charges for services	79,779	71,871	-	-	-	-	-	27,133	178,783
Fines	-	-	-	-	-	560	-	2,045	2,605
Earnings from investments	1,080	-	-	-	-	25	-	-	1,105
Miscellaneous	-	25,789	-	-	-	-	-	54,928	80,717
<b>Total revenue</b>	<b>1,633,491</b>	<b>808,302</b>	<b>36,386</b>	<b>46</b>	<b>790,510</b>	<b>160,601</b>	<b>294,898</b>	<b>1,125,877</b>	<b>4,850,111</b>

(continued)

The notes to the financial statements are an integral part of this statement.

	General Fund	Road Fund	VFD Fire Excise Share Fund	CHET VFD SAP Fund	Severance Bond SAP Fund	Debt Service Fund	CDBG Fund	Other Governmental Funds	Total Governmental Funds
Expenditures:									
Current:									
General government	1,121,607	-	-	-	-	-	119,891	15,284	1,256,782
Public safety	330,911	-	80,735	38,622	74,287	-	-	745,342	1,269,897
Public works	230,612	398,044	-	-	-	-	-	40,525	669,181
Culture and recreation	-	-	-	-	-	-	-	300	300
Capital outlay	-	492,763	-	90,618	695,918	2,053,691	164,922	193,246	3,691,158
Debt service:									
Principal retirement	-	41,348	-	-	-	120,000	-	98,434	259,782
Bond interest paid	-	5,247	-	-	-	75,631	-	30,185	111,063
Bond issuance costs	-	6,506	-	1,950	-	-	-	-	8,456
Total expenditures	<u>1,683,130</u>	<u>943,908</u>	<u>80,735</u>	<u>131,190</u>	<u>770,205</u>	<u>2,249,322</u>	<u>284,813</u>	<u>1,123,316</u>	<u>7,266,619</u>
Excess (deficiency) of revenues over expenditures	<u>(49,639)</u>	<u>(135,606)</u>	<u>(44,349)</u>	<u>(131,144)</u>	<u>20,305</u>	<u>(2,088,721)</u>	<u>10,085</u>	<u>2,561</u>	<u>(2,416,508)</u>
Other financing sources and uses:									
Sale of bonds	-	440,255	-	131,950	-	-	-	-	572,205
Transfers in	-	-	95,780	-	-	-	-	112,729	208,509
Transfers out	<u>(118,758)</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(128,751)</u>	<u>(248,509)</u>
Total other financing sources and uses	<u>(118,758)</u>	<u>439,255</u>	<u>95,780</u>	<u>131,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,022)</u>	<u>532,205</u>
Net change in fund balance	(168,397)	303,649	51,431	806	20,305	(2,088,721)	10,085	(13,461)	(1,884,303)
Fund balance (deficit) at beginning of the year	<u>687,019</u>	<u>186,107</u>	<u>247,111</u>	<u>-</u>	<u>(71,746)</u>	<u>2,665,309</u>	<u>-</u>	<u>704,727</u>	<u>4,418,527</u>
Fund balance (deficit) at end of the year	<u>\$ 518,622</u>	<u>\$ 489,756</u>	<u>\$ 298,542</u>	<u>\$ 806</u>	<u>\$ (51,441)</u>	<u>\$ 576,588</u>	<u>\$ 10,085</u>	<u>\$ 691,266</u>	<u>\$ 2,534,224</u>

The notes to the financial statements are an integral part of this statement.

**STATE OF NEW MEXICO  
MORA COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2010**

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

Net change in fund balance - total governmental funds	\$ (1,884,303)
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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. This is the amount by which capital outlays exceeded depreciation in the current year

Capital outlay	3,691,158
Depreciation	(585,804)

The issuance of long-term debt (e.g., bonds) 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 assets. Also, governmental funds report the effect of issuance costs, premiums, and similar, items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Current year principal payments	259,782
Bonds sold	(572,205)
Current year issuance costs	8,456
Issuance cost amortization	(846)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences at:	
June 30, 2009	43,284
June 30, 2010	(38,797)
Accrued interest at:	
June 30, 2009	(22,433)
June 30, 2010	<u>20,458</u>

Change in net assets of governmental activities	<u>\$ 918,750</u>
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STATE OF NEW MEXICO  
MORA COUNTY

GENERAL FUND

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
<b>Taxes:</b>				
Property	\$ 739,214	\$ 739,214	\$ 830,551	\$ 91,337
Penalties and interest	35,000	35,000	30,911	(4,089)
Payments in lieu	209,950	209,950	92,622	(117,328)
Gross receipts	132,587	132,587	126,464	(6,123)
Cigarette	2,500	2,500	2,995	495
Intergovernmental	349,000	349,000	370,196	21,196
Licenses and permits	90,000	90,000	94,402	4,402
Charges for services	59,500	59,500	79,779	20,279
Earnings from investments	-	-	1,080	1,080
Miscellaneous	9,600	9,600	12,943	3,343
	<u>1,627,351</u>	<u>1,627,351</u>	<u>1,641,943</u>	<u>14,592</u>
 <b>Total revenues</b>				
 <b>Expenditures:</b>				
<b>Current:</b>				
General government	1,144,692	1,144,692	1,100,629	44,063
Public safety	307,603	307,603	326,974	(19,371)
Public works	175,056	175,056	183,260	(8,204)
	<u>1,627,351</u>	<u>1,627,351</u>	<u>1,610,863</u>	<u>16,488</u>
 <b>Total expenditures</b>				
Excess of revenues over expenditures	-	-	31,080	31,080
 <b>Other uses:</b>				
Transfers out	-	-	(118,758)	(118,758)
	<u>-</u>	<u>-</u>	<u>(118,758)</u>	<u>(118,758)</u>
 <b>Net change in fund balance</b>				
	-	-	(87,678)	(87,678)
Fund balance at beginning of the year	-	-	687,019	687,019
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>599,341</u>	<u>\$ 599,341</u>
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			1,954	
Change in property tax receivable			4,716	
Change in payables			(7,486)	
Change in accrued liabilities			(7,917)	
Cash with fiscal agent			(39,362)	
Change in Prepaids			(32,624)	
			<u>518,622</u>	
			<u>\$ 518,622</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA COUNTY

ROAD SPECIAL REVENUE FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
<b>Revenues:</b>				
<b>Federal sources:</b>				
Forest reserve	\$ 185,957	\$ 185,957	\$ 173,460	\$ (12,497)
Federal grant	-	-	129,554	129,554
<b>Taxes:</b>				
Gross receipts	40,000	428,723	43,927	(384,796)
Gasoline	80,000	80,000	75,128	(4,872)
Intergovernmental	500	500	73,328	72,828
Licenses and permits	80,000	80,000	114,877	34,877
Miscellaneous	-	-	25,660	25,660
<b>Total revenues</b>	<u>386,457</u>	<u>775,180</u>	<u>635,934</u>	<u>(139,246)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public works	316,078	315,078	468,171	(153,093)
<b>Capital outlay:</b>				
Equipment	259,744	649,467	446,141	203,326
<b>Debt service:</b>				
Principal retirement	41,348	41,348	41,348	-
Bond interest paid	5,274	5,274	5,274	-
<b>Total expenditures</b>	<u>622,444</u>	<u>1,011,167</u>	<u>960,934</u>	<u>50,233</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(235,987)</u>	<u>(235,987)</u>	<u>(325,000)</u>	<u>(89,013)</u>
<b>Other financing sources:</b>				
Sale of bonds	235,987	235,987	440,255	204,268
Transfers out	-	-	(1,000)	(1,000)
<b>Total other financing sources</b>	<u>235,987</u>	<u>235,987</u>	<u>439,255</u>	<u>203,268</u>
<b>Net change in fund balance</b>	-	-	114,255	114,255
<b>Fund balance at beginning of the year</b>	-	-	186,107	186,107
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>300,362</u>	<u>\$ 300,362</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			163,866	
Change in payables			19,480	
Change in accrued liabilities			(2,453)	
Cash with fiscal agent			8,501	
			<u>\$ 489,756</u>	

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
MORA COUNTY

VFD FIRE EXCISE SHARE SPECIAL REVENUE FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Taxes:</b>				
Gross receipts	\$ 48,388	\$ 118,194	\$ 29,077	\$ (89,117)
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	132,269	295,710	82,635	213,075
<b>Capital outlay:</b>				
Construction in progress	<u>157,196</u>	<u>63,561</u>	<u>-</u>	<u>63,561</u>
<b>Total expenditures</b>	<u>289,465</u>	<u>359,271</u>	<u>82,635</u>	<u>276,636</u>
Excess (deficiency) of revenues over expenditures	(241,077)	(241,077)	(53,558)	187,519
<b>Other financing sources:</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>95,780</u>	<u>95,780</u>
Net change in fund balance	(241,077)	(241,077)	42,222	283,299
Beginning cash balance budgeted	241,077	241,077	-	(241,077)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>247,111</u>	<u>247,111</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>289,333</u>	<u>\$ 289,333</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			7,308	
Change in payables			<u>1,901</u>	
			<u>\$ 298,542</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA COUNTY

CHET VFD SAP SPECIAL REVENUE FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
 <b>Expenditures:</b>				
<b>Capital outlay:</b>				
Equipment	-	131,950	90,618	41,332
<b>Debt service:</b>				
Bond issuance costs	-	-	1,950	(1,950)
<b>Total expenditures</b>	-	131,950	92,568	39,382
<b>Excess (deficiency) of revenues</b>				
over expenditures	-	(131,950)	(92,568)	39,382
 <b>Other financing sources:</b>				
Sale of bonds	-	131,950	131,950	-
<b>Net change in fund balance</b>	-	-	39,382	39,382
Fund balance at beginning of the year	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	39,382	\$ 39,382
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			(38,622)	
Cash with fiscal agent			46	
			\$ 806	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA COUNTY

SEVERANCE BOND SAP SPECIAL REVENUE FUND  
Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues:</b>				
Intergovernmental	\$ 1,446,081	\$ 1,446,081	\$ 1,024,799	\$ (421,282)
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	113,007	113,007	88,343	24,664
<b>Capital outlay:</b>				
Construction in progress	<u>1,333,074</u>	<u>1,333,074</u>	<u>695,918</u>	<u>637,156</u>
Total expenditures	<u>1,446,081</u>	<u>1,446,081</u>	<u>784,261</u>	<u>661,820</u>
Net change in fund balance	-	-	240,538	240,538
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>(71,746)</u>	<u>(71,746)</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>168,792</u>	<u>\$ 168,792</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in receivables			(234,289)	
Change in payables			<u>14,056</u>	
			<u>\$ (51,441)</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA COUNTY

PROPRIETARY FUND - SOLID WASTE  
STATEMENT OF NET ASSETS

June 30, 2010

ASSETS

Current assets:

Cash and cash equivalents \$ 3,038

Receivables:

Accounts (net of allowance for uncollectible) 31,742

Total assets \$ 34,780

LIABILITIES AND NET ASSETS (DEFICIT)

Current liabilities:

Accounts payable \$ 8,578

Accrued liabilities 1,090

Total current liabilities 9,668

Net assets (deficit):

Undesignated 25,112

Total liabilities and net assets (deficit) \$ 34,780

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA COUNTY

PROPRIETARY FUND - SOLID WASTE  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
Year Ended June 30, 2010

Operating revenues:	
Solid waste charges	\$ 181,167
Intergovernmental funds	<u>2,652</u>
Total operating revenues	<u>183,819</u>
Operating expenses:	
Personal services	95,987
Operating expenses	<u>149,571</u>
Total operating expenses	<u>245,558</u>
Operating loss	(61,739)
Contributions and transfers:	
Transfers in	<u>40,000</u>
Change in net assets	(21,739)
Net assets (deficit) - beginning of year	<u>46,851</u>
Net assets (deficit) - ending of year	<u>\$ 25,112</u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA COUNTY

PROPRIETARY FUND - SOLID WASTE  
STATEMENT OF CASH FLOWS  
Year Ended June 30, 2010

CASH FLOWS FROM OPERATING  
ACTIVITIES

Receipts from customers and users	\$ 157,389
Payments to supplies and maintenance	(97,618)
Payments to employees	<u>(148,481)</u>
Net cash used in operating activities	<u>(88,710)</u>

CASH FLOWS FROM NONCAPITAL  
FINANCING ACTIVITIES

Transfer from other funds	40,000
Subsidy from federal grant	<u>6,387</u>
Net cash provided (used) by capital and related financing activities	<u>46,387</u>
Net increase (decrease) in cash and cash equivalents	(42,323)
Cash and cash equivalents, beginning of year	<u>45,361</u>
Cash and cash equivalents, end of year	<u><u>\$ 3,038</u></u>

RECONCILIATION OF OPERATING INCOME  
TO NET CASH PROVIDED (USED) BY  
OPERATING ACTIVITIES

Operating income (loss)	\$ (61,739)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in asseets:	
Accounts receivable	(26,430)
Increase (decrease) in liabilities:	
Accounts payable	(1,631)
Accrued liabilities	<u>1,090</u>
Total adjustments	<u>(26,971)</u>
Net cash used in operating activities	<u><u>\$ (88,710)</u></u>

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
MORA COUNTY

AGENCY FUNDS  
Statement of Fiduciary Assets and Liabilities  
June 30, 2010

ASSETS

Pooled cash and investments	\$	64,243
Receivables:		
Property taxes		<u>291,070</u>
Total assets	\$	<u>355,313</u>

LIABILITIES

Taxes due from others	\$	291,070
Undistributed taxes		59,286
Taxes paid in advance		<u>4,957</u>
Deposits held for others	\$	<u>355,313</u>

The notes to the financial statements are an integral part of this statement.

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**STATE OF NEW MEXICO  
MORA COUNTY**

Notes to Basic Financial Statements  
June 30, 2010

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STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental entities. A summary of the Mora County, New Mexico's significant accounting policies applied in the preparation of these financial statements follows.

A. Reporting Entity

Mora County, New Mexico (County) was incorporated, and it is administered by a manager, who is overseen by a Commission of three elected officials. The reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the primary governments is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County's financial statements to be misleading or incomplete. The County provides the usual municipal services with the exception of education, which administered by other governmental agencies.

As required by GAAP, these financial statements present the County (primary government).

GAAP requires that financial statements present the County (primary government) and its component units. Depending upon the significance of the financial and operational relationships with various separate entities, the organizations are classified as blended or discrete component units.

1. Blended Component Units

Legally separate component units for which the County is financially accountable are blended with the primary government because they are, in substance, part of the government's operations. Blended means the data from these units are combined with data of the primary government. The County had no blended component units during the fiscal year ended June 30, 2010.

2. Discretely Presented Component Units

The financial data of component units are reported in separate columns to emphasize that they are legally separate from the County. The County had no discrete component units during the fiscal year ended June 30, 2010.

3. Related Organizations

The County appoints members to the boards, but the County's accountability for the organizations does not extend beyond making these appointments and there is no fiscal dependency of these organizations on the County.

The County has no component units that are required to be presented in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 89, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Government Wide and Fund Financial Statements

The government-wide financial statements, which include the statement of net assets and statement of activities, report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which generally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely generally on fees and charges to external parties.

The statement of activities demonstrates the extent to which the direct expenses of a given function or business-type activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, internally dedicated resources, including special assessments. Internally dedicated resources, taxes, and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds, and enterprise funds, each reported as a separate column. All remaining governmental funds and enterprise funds are aggregated and reported as non-major funds.

C. Measurement Focus, Basis of Accounting, and Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. On an accrual basis, 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 have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are measurable and available. Available means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. The County considers all revenue as available, if collected within 60 days after year-end. Property taxes, sales and use taxes, franchise taxes, occupational privilege taxes, interest revenue, grant revenue, and charges for services are susceptible to accrual. Other receipts, fines, licenses, and permits revenues become measurable and available when cash is received by the County and are recognized as revenue at that time. Grant revenue is considered available if expected to be collected within one year and all eligibility requirements are met. Expenditures are recorded when the related liability is incurred, except for debt service expenditures, and certain compensated absences and claims and judgments which are recognized when the payment is due.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Statement Presentation (continued)

The County reports the following major governmental funds:

General Fund– County's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

Road Fund Special Revenue Fund– County management is accounting for the distribution of gasoline taxes and motor vehicle registration fees to the County and the expenditures for construction, reconstruction, resurfacing or other improvement or maintenance of public roads as authorized by NMSA 1978 Section 7-24A-5

VFD Fire Excise Share Special Revenue Fund- To account for the fire excise tax set aside for the purposes of financing operational expenses in providing ambulance services for the County. The fund was created by authority of the County electorate election held November 9, 1998. Financing is provided by an excise tax equal to  $\frac{1}{4}$  of 1 percent of the gross receipts.

Severance Bonds SAPS Special Revenue Fund– To account for grant funds provided by the State of New Mexico out of severance tax bonds. The funds are to be used for repairs to the courthouse.

Debt Service Fund – The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

CDBG Capital Projects Fund – Accounts for development of viable urban communities and to construct a solid waste convenience center. Funding is from a Community Development Block Grant from the Department of HUD through the State Department of Finance and Administration under Grant 88-C-RS-1-2-G36 ABD 89-C-RS-11-G20.

The County reports the following major proprietary funds:

Solid Waste Fund – accounts for fees collected and expenses incurred to operate the County Solid Waste.

Additionally, the County reports the following fund type:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources – which are legally restricted to expenditures for specified purposes.

Agency Funds – Agency funds account for miscellaneous assets held by the County for other funds, governmental units, and individuals. The County's agency funds are used to account for the collection and payment of property taxes and special fees due to other governmental agencies. Agency funds are custodial in nature and do not involve measurement of results of operations.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus, Basis of Accounting, and Statement Presentation (continued)

The County reports its government-wide and enterprise fund financial statements following all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless the pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins. Governments are given the option whether or not to apply all FASB Statements and Interpretations issued after November 30, 1989. The County has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the administrative expenses, cost of sales and services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The effect of inter-fund activity generally has been eliminated from the government-wide financial statements. Exceptions to this practice include payments and other charges between the County's enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions affected.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, the County uses the restricted resources first, then unrestricted resources as needed.

D. Assets, Liabilities, and Net Assets or Equity

1. *Deposits and Investments*

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

State statutes authorize the investment of the County's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The County is also allowed to invest in United States Government obligations. All funds for the County must follow the above investment policies.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 by collateral deposited as security or by bond given by the financial institution.

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 of 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.

2. *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Property taxes are recognized as revenue on the modified accrual basis. They are reported as a receivable and as deferred revenue when the levy is certified by the County's Assessor on November and April 10th of each year unless there is a special election. Property taxes are due and considered earned on January 1 following the year levied. The first and second halves become delinquent on November 10th and April 10th, respectively.

Oil and gas taxes received from the County are recognized as revenue when received by the County.

Due from other governments includes amounts due from grantors for grants for specific programs and capital projects. Program and capital grants for capital assets are recorded as receivables and revenues when all eligibility requirements are met. Revenues received in advance of project costs being incurred or for which eligibility requirements have not been met are deferred. In the governmental funds, revenue recognition depends on the timing of cash collections (availability).

The Sanitary Landfill enterprise fund is responsible for billing and collecting sanitation fees using a cycle billing system biannually. Revenues relating to future years are classified as deferred revenue. All trade receivables are shown net of an allowance for uncollectible. The County reviews accounts receivable on a regular basis and all receivable are reported net of uncollectible accounts.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The County has reviewed its customer base for concentrations of credit risk and has determined that no individual customer or group of customers engaged in similar activities represent a material concentration of credit risk to the County.

3. *Prepaid Items*

Payments made to vendors for services representing costs applicable to future accounting periods are recorded as prepaid items.

4. *Capital Assets*

Land, collections, construction in progress, buildings, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns of the government-wide financial statements. Such assets are recorded at cost or estimated cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The capitalization threshold of the County is \$5,000. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

<u>Assets</u>	<u>Years</u>
Improvements other than buildings	10 to 50
Buildings and improvements	10 to 45
Motor vehicles and motorized equipment	5 to 30
Furniture, machinery, equipment, and software	5 to 30
Infrastructure	10 to 50

No depreciation is recorded for assets held for disposition. Library books and software are depreciated if the single individual cost is \$5,000 or more.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. *Compensated Absences*

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. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrued to employees. The County does not pay for unused sick leave upon termination; therefore, amounts are not accrued for sick leave liability. The compensated absences are paid from the general fund in the amount of \$25,272, from the roads fund \$10,327, from the DWI \$3,292 from the solid waste \$4,393, which totals \$43,284 as reported in the statement of net assets.

6. *Long-Term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

7. *Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance representing amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.



STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. *Net assets*

Net assets are presented on the statement of net assets and may be presented in any of three components.

a. Invested in capital assets, net of related debt

This component of net assets consists of capital assets, including restricted 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. The portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted net assets

Net assets are reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

c. Unrestricted net assets

Unrestricted net assets consist of net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted.”

In the governmental environment, net assets often are designated to indicate that management does not consider them to be available for general operations. In contrast to restricted net assets, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

9. *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that reflect the affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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II. STEWARDSHIP COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted for all funds except agency funds. All budgets are prepared on the Non-GAAP cash basis. All annual appropriations lapse at fiscal yearend. Carry over funds must be appropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as a reserve portion of fund balance.

Actual expenditures may not exceed the budget on a fund basis. Budgets may be amended by CountyCommission resolution with approval by the State Department of Finance and Administration. County department heads may make transfers of appropriations within a fund. The legal level of budgetary control is the fund level. Increases or decreases of appropriations between funds require the approval of the governing commission.

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

Prior to June 1, the CountyManager submits to the CountyCommission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayers comments. Prior to September 1, the budget is legally enacted through passage of a resolution.

The CountyManager is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the CountyCommission. Expenditures of the County may not legally exceed appropriations at the level at which the budget is adopted, that is, expenditures in each fund may not exceed the budgeted appropriation for that fund.

The budgetary information presented in these financial statements have been amended in accordance with the above procedures.

B. Budgetary Violations

The County exceeded its legal budget in individual funds as referenced in Findings 2010-4 and 2010-5 on page 131 and 132. For the funds identified without proper approval, the County will implement the appropriate protocols to timely monitor individual line items.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

C. Deficit Fund Equity of Activities

Deficit fund balances of individual funds as of June 30, 2010 are as follows.

Corrections	\$ 64,308
Severance Bond SAP	51,441
Mora VFD	167
CDWI	2,250
DWI-D	11,831
DWI-Donations	240
Homeland Security	87,514
DWI - G	11,245
U.S. Cops Grant	14,161
Total	<u>\$ 243,157</u>

The deficits are expected to be funded by additional grant funds, user fees or transfers from the general fund.

III. DETAILED NOTES FOR ALL FUNDS

A. Cash and Temporary Investments

At June 30, 2010, the carrying amount of the District's deposits was \$2,355,473 and the bank balance was \$2,417,963. Of this balance \$252,217 was covered by federal depository insurance and \$1,010,323 was covered by collateral held in joint safekeeping by a third party, \$1,448,265 was invested in U.S. Government Money Market Funds and \$1,698,158 was uncollateralized.

Custodial Credit Risk

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 policy for custodial credit risk. NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2010, \$698,158 of the County's bank balance of \$2,417,963 were uninsured and uncollateralized and was exposed to custodial risk.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

III. DETAILED NOTES FOR ALL FUNDS (continued)

<u>Depository Accounts</u>	
Insured	\$ 252,217
Collateralized:	
Collateral held by pledging bank's trust department in the County's name	1,010,000
U.S. Government Money Market Funds	448,265
State Treasury Collateral Account	9,323
Uninsured and uncollateralized	<u>698,158</u>
 Total deposits	 <u>\$ 2,417,963</u>
 Collateral requirement:	
50% of uninsured public fund bank deposits	\$ 1,078,212
Pledged security	<u>1,467,588</u>
 Over (under) collateralization	 <u>\$ 389,376</u>

The collateral pledged is listed on Page 110 of this report. The types of collateral allowed 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.

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the County. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

B. Receivables

Receivables as of June 30, 2010 are as follows:

	<u>General</u>	<u>VFD Fire Excise</u>	<u>Road</u>	<u>Severance Bond SAP</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Solid Waste</u>
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 293,549
Loans	-	-	-	-	-	39,048	-
Property taxes	33,396	-	-	-	6,746	-	-
Intergovernmental	<u>10,714</u>	<u>17,866</u>	<u>245,260</u>	<u>4,718</u>	<u>-</u>	<u>17,434</u>	<u>-</u>
Gross receivables	44,110	17,866	245,260	4,718	6,746	56,482	293,549
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,507</u>	<u>261,807</u>
Net receivables	<u>\$ 44,110</u>	<u>\$ 17,866</u>	<u>\$ 245,260</u>	<u>\$ 4,718</u>	<u>\$ 6,746</u>	<u>\$ 19,975</u>	<u>\$ 31,742</u>

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

III. DETAILED NOTES ON ALL FUNDS (continued)

B. Receivables (continued)

Revenues of Other Governmental funds and Enterprise Funds are reported net of uncollectible amounts. Total uncollectible amounts related to the revenue are as follows:

Uncollectibles	
Other Governmental Funds	\$ 36,507
Enterprise Fund	<u>261,807</u>
Total	<u>\$ 298,314</u>

C. Inter-Fund Receivables and Payables

There were no inter-fund loans at June 30, 2010.

D. Inter-Fund Transfers

Net operating transfers during the year ended June 30, 2010 are as follows:

Governmental Activities:	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Major Funds:</b>		
General fund	\$ -	\$ 118,758
VFD Fire Excise Share	95,780	-
Road	-	1,000
Nonmajor general funds	112,729	128,751
Proprietary fund	<u>40,000</u>	<u>-</u>
Total Governmental transfers	<u>\$ 248,509</u>	<u>\$ 248,509</u>

The general purpose of the transfers are to fund expenditures until other financing is arranged or to provide matching funds.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

III. DETAILED NOTES FOR ALL FUNDS (continued)

E. Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u>
<b>Governmental Activities.</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 436,313	\$ -	\$ -	\$ 436,313
Construction in progress	<u>2,335,391</u>	<u>2,912,457</u>	-	<u>5,247,848</u>
Total capital assets not being depreciated	<u>2,771,704</u>	<u>2,912,457</u>	-	<u>5,684,161</u>
Capital assets being depreciated:				
Buildings and improvements	5,568,437	178,863	-	5,747,300
Equipment and other	<u>5,447,881</u>	<u>599,838</u>	-	<u>6,047,719</u>
Total capital assets being depreciated	<u>11,016,318</u>	<u>778,701</u>	-	<u>11,795,019</u>
Less accumulated depreciation for:				
Buildings and improvements	(908,301)	(172,755)	-	(1,081,056)
Equipment and other	<u>(2,705,105)</u>	<u>(413,049)</u>	-	<u>(3,118,154)</u>
Total accumulated depreciation	<u>(3,613,406)</u>	<u>(585,804)</u>	-	<u>(4,199,210)</u>
Total capital assets being depreciated, net	<u>7,402,912</u>	<u>192,897</u>	-	<u>7,595,809</u>
<b>Governmental Activities Capital Assets, net</b>	<u><u>\$ 10,174,616</u></u>	<u><u>\$ 3,105,354</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,279,970</u></u>

Depreciation by fund:

General	\$ 233,079
Public works	230,671
Public safety	121,999
Culture and recreation	<u>55</u>
Total	<u><u>\$ 585,804</u></u>

Construction commitments

The County is involved in several long-term construction projects as part of their master plan for upgrading the county buildings. The amount of \$2,425,275 in the debt service fund designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

III. DETAILED NOTES FOR ALL FUNDS (continued)

F. Long-Term Debt

General Obligation Bonds:

The County issues general obligation bonds to provide for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the County. The bonds will be paid from taxes levied against property within the County boundaries. General obligation bonds in the amount of \$2,310,000 were outstanding at the year ended June 30, 2010.

Revenue Bonds

The County has issued bonds where the County pledges state fire allotment revenues, state gasoline tax revenue, and state law enforcement protection revenue.

	<u>Original Amount</u>	<u>Balance due</u>	<u>Due Within One Year</u>
General Obligation Bonds:			
Bond issued from the New Mexico Finance Authority. The interest rate is from 2.4% to 3.71% annually. The bond matures on August 1, 2021.	\$ 2,650,000	\$ 2,190,000	\$ 130,000
Revenue Bonds:			
Bond issued from New Mexico Finance Authority for addition to Chet Fire Station, with a annual payment of \$13,195 no interest and a .025% administrative fee. The bond matures on May 1, 2020.	131,950	131,950	13,195
Bond issue from New Mexico Finance Authority for Golondrinas Fire District, with a variable annual payment, no interest payments, and a .25% administrative fee. The bond matures on May 1, 2013.	69,700	26,301	8,745
Bond issued from USDA for the Golondrinas Fire District. The interest rate is 4.7665% annually. The bond matures on August 1, 2023.	31,970	26,037	1,500
Bond issued from New Mexico Finance Authority for the Ocate Ojo Feliz Fire District. The interest rate is from 1.22% to 3.49% annually. The bond matures on May 1, 2014.	150,000	52,857	15,431
Bond issued from New Mexico Finance Authority for the Ocate Ojo Feliz Fire District. The interest rate is from 0% annually. The bond matures on May 1, 2029.	81,200	77,140	4,060
Bond issued from USDA for the Fire District. The interest rate is from 2.5% to 5.0% annually. The bond matures on August 1, 2023.	119,700	94,514	5,000
Bond issued from New Mexico Finance Authority for two motor graders. The interest rate is from 1.40% to 4.60% annually. The bond matures on May 1, 2019.	\$ 440,255	\$ 398,907	\$ 40,216

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

III. DETAILED NOTES FOR ALL FUNDS (continued)

F. Long-Term Debt (continued)

	<u>Original Amount</u>	<u>Balance due</u>	<u>Due Within One Year</u>
Bond issued from USDA for the Ledoux Fire District and various other fire districts. The interest rate is from 4.0% to 4.5% annually. The bond matures on April 16, 2034.	\$ 125,220	\$ 111,220	\$ 2,500
Bond issued from USDA for the Ocate Ojo Feliz Fire District. The interest rate is from 4.25% annually. The bond matures on August 6, 2022.	109,825	98,825	6,000
Bond issued from USDA for the Buena Vista Fire District. The interest rate is from 2.50% to 5.455% annually. The bond matures on October 25, 2024.	80,000	40,000	3,000
 Bond issued from USDA for the Buena Vista Fire District. The interest rate is 6.5% annually. The bond matures on August 19, 2024.	 177,800	 105,800	 7,400
Bond issued from the New Mexico Finance Authority. The interest rate is from 2.50% to 4.00% annually. The bond matures on May 1, 2020.	75,000	50,312	4,975
Bond issued from USDA for the Law Enforcement Protection fund. The interest rate is 4.25% annually. The bond matures on November 26, 2015.	81,815	52,801	8,000
Bond issued from USDA for the Ledoux Fire Department. The interest rate is 4.25% annually. The bond matures on May 1, 2022.	<u>76,730</u>	<u>68,730</u>	<u>4,000</u>
Total revenue bonds	<u>1,751,165</u>	<u>1,335,394</u>	<u>124,022</u>
Total	<u>\$ 4,401,165</u>	<u>\$ 3,525,394</u>	<u>\$ 254,022</u>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.



**STATE OF NEW MEXICO  
MORA COUNTY**

Notes to Basic Financial Statements  
June 30, 2010

**III. DETAILED NOTES FOR ALL FUNDS (continued)**

**F. Long-Term Debt (continued)**

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ending	Total		
<u>June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Requirements</u>
2011	\$ 254,022	\$ 114,036	\$ 368,058
2012	252,914	107,050	359,964
2013	260,097	99,366	359,463
2014	255,056	91,184	346,240
2015	262,056	82,566	344,622
2016-2020	1,418,328	264,997	1,683,325
2021-2025	652,806	44,768	697,574
2026-2030	44,240	-	44,240
2031-2035	27,720	-	27,720
<b>Total</b>	<b>\$ 3,427,239</b>	<b>\$ 803,967</b>	<b>\$ 4,231,206</b>

During the year ended June 30, 2010, the following changes occurred in long-term liabilities:

	Beginning				Ending	Due within
	<u>Balance</u>	<u>Restatement</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One year</u>
Compensated absences	\$ 43,284	\$ -	\$ 34,300	\$ (38,787)	\$ 38,797	\$ 38,797
General obligation bonds:						
New Mexico Finance Authority	2,310,000	-	-	(120,000)	2,190,000	130,000
Revenue bonds payable:						
New Mexico Finance Authority	81,200	-	-	(4,060)	77,140	4,060
New Mexico Finance Authority	-	-	131,950	-	131,950	13,195
New Mexico Finance Authority	35,024	-	-	(8,723)	26,301	8,745
USDA	27,037	-	-	(1,000)	26,037	1,500
New Mexico Finance Authority	68,046	-	-	(15,189)	52,857	15,431
USDA	99,514	-	-	(5,000)	94,514	5,000
USDA	104,825	-	-	(6,000)	98,825	6,000
New Mexico Finance Authority	-	-	440,255	(41,348)	398,907	40,216
USDA	113,720	-	-	(2,500)	111,220	2,500
USDA	48,000	-	-	(8,000)	40,000	3,000
USDA	132,800	-	-	(27,000)	105,800	7,400
USDA	60,801	-	-	(8,000)	52,801	8,000
USDA	-	76,730	-	(8,000)	68,730	4,000
New Mexico Finance Authority	55,274	-	-	(4,962)	50,312	4,975
Total loans and bonds	<u>3,136,241</u>	<u>76,730</u>	<u>572,205</u>	<u>(259,782)</u>	<u>3,525,394</u>	<u>254,022</u>
Total long-term liabilities	<u>\$ 3,179,525</u>	<u>\$ 76,730</u>	<u>\$ 606,505</u>	<u>\$ (298,569)</u>	<u>\$ 3,564,191</u>	<u>\$ 292,819</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The Bonds and Loans are paid from the general fund, debt service fund and the fire districts.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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III. DETAILED NOTES FOR ALL FUNDS (continued)

F. Long-Term Debt (continued)

The restatement of the financials for long-term debt is discussed in Note IV. G.

G. Reserved Fund Balances

The New Mexico Department of Finance and Administration (DFA) requires that 1/12th of the general fund budgeted expenditures be reserved as subsequent year expenditures to maintain an adequate cash flow until the next significant property tax collection.

IV. OTHER INFORMATION

A. Contingent Liabilities

Litigation

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government attorney the resolution of these matters will not have a material adverse effect on the financial condition of the government.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial

B. Employee Retirement Systems and Plans

Plan Description

Substantially all of the 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, NM87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

STATE OF NEW MEXICO  
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Notes to Basic Financial Statements  
June 30, 2010

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IV. OTHER INFORMATION (continued)

B. Employee Retirement Systems and Plans (continued)

Funding Policy

Plan members are required to contribute 7% (ranges from 4.78% to 16.65% depending upon the plan - i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer) of their gross salary. The County is required to contribute 10% for police and 7% for other employees (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the 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 ending June 30, 2010, 2009 and 2008 were \$65,455, \$59,018, and \$47,818, respectively, which equal the amount of the required contributions for each fiscal year.

Retirement Eligibility

Eligibility for receiving the monthly benefits equal to the number of years of credited service times 2.5% of their final average monthly salary for the thirty-six consecutive months of credited service producing the largest average is as follows:

- Any age with 25 or more years of credited service, or age 60 or older with 20 or more years of credited service; or
- Age 61 or older with 17 or more years of credited service; or
- Age 62 or older with 14 or more years of credited service; or
- Age 63 or older with 11 or more years of credited service; or
- Age 64 or older with 8 or more years of credited service; or
- Age 65 or older with 5 or more years of credited service.

Police officers and fire fighters are eligible for retirement at any age after 20 years of service. Benefits vest after 5 years of credited service.

STATE OF NEW MEXICO  
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Notes to Basic Financial Statements  
June 30, 2010

IV. OTHER INFORMATION (continued)

B. Employee Retirement Systems and Plans (continued)

Contribution Requirements

Contributions to the pension plan as of June 30, 2010 are equal to percentages of annual salaries as follows:

	<u>County</u> <u>Contribution</u>	<u>Employee</u> <u>Contribution</u>	<u>Total</u>
Police	10.00%	7.00%	17.00%
General	7.00%	7.00%	14.00%

The contribution requirements of plan members and the County are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The actuarially determined contribution requirements and actual contributions made for the year ended June 30, 2010 were \$126,477, (which consisted of \$65,455 from the County and \$61,022 from employees; representing 11.0 percent and 10.6 percent of covered payroll, respectively). The payroll for employees covered by PERA for the year ended June 30, 2010 was \$876,097. Contributions for the past three years are as follows:

<u>Fiscal</u> <u>Year</u>	<u>Pension</u> <u>Cost</u>	<u>Percentage</u> <u>Contribution</u>	<u>Benefit</u> <u>Obligation</u>
2008	\$ 47,818	100%	\$ -
2009	\$ 59,018	100%	\$ -
2010	\$ 65,455	100%	\$ -

If member's employment is terminated before the member is eligible for any other benefits under PERA, the member may receive a refund of the member's contribution and interest accrued based on rates established biannually by the retirement board.

C. Post-Employment Benefits

The County has elected not to participate in the Retiree Health Care Act (Section 10-7C-1 to 10-7c-16, NMSA 1978).

D. Trend Information

Information pertaining to the actuarially computed present value of vested accumulated plan benefits and nonvested accumulated plan benefits, the plan's net assets available for benefits and the assumed rate of return used in computing the present value, and ten-year historical trend information presenting PERA's progress in accumulating sufficient assets to pay benefits when due is not available by individual government agencies participating in the plan. Actuarial pension data for the State of New Mexico, as employer, is provided at the state-wide level in a separately-issued financial report of the PERA.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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IV. OTHER INFORMATION (continued)

E. Risk Management

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

Mora 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.

F. Jointly Governed Organizations

Joint powers agreement for Solid Waste Bins

Participants:	MoraCounty, Village of Wagon Mound
Operation Responsibility:	Both parties
Description:	Village of Wagon Mound agrees to house proper bins for Mora County Solid Waste Department.
Period:	January 23, 2003 until cancelled
Project Costs:	Mora County agrees to pay one-half of the salary of an employee to monitor the site.
Association Contributions:	Undetermined
County Contributions:	Undeterminable
Audit Responsibility:	Village of Wagon Mound
Reporting Responsibility:	Revenue are collected and reported by the County. Expenses are incurred and reported by both parties.

STATE OF NEW MEXICO  
MORA COUNTY

Notes to Basic Financial Statements  
June 30, 2010

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IV. OTHER INFORMATION (continued)

F. Jointly Governed Organizations (continued)

Joint powers agreement for Inmate Housing – Quay County

Participants:	Mora County, Quay County
Operation Responsibility:	Quay County
Description:	Quay County has agreed to house adult and juvenile prisoners from Mora County.
Period:	January 1, 2010 until January 1, 2014
Project Costs:	Mora County agrees to pay \$125 per day for each adult or juvenile prisoner.
Association Contributions:	Undetermined
County Contributions:	Undeterminable
Audit Responsibility:	Quay County
Reporting Responsibility:	Expenses are incurred by the number of inmates housed.

G. Restatement

The County did not disclose an existing loan in the year ended June 30, 2009. The loan was originally issued during the year ended June 30, 2008 and did not have any payments until the current year. The government-wide financials have been restated for the original loan amount of \$76,730.

**NONMAJOR GOVERNMENTAL FUNDS**

STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2010

**Special Revenue Funds**

	Corrections Fund	Property Valuation Fund	Emergency Medical Services Fund	Farm And Range Fund	Law Protection Fund	Recreation Fund	Indigent Fund	County Fire Excise Tax Fund
<b>ASSETS</b>								
Pooled cash and investments	\$ (50,735)	\$ 23,803	\$ 684	\$ 3,270	\$ 11,531	\$ 1,601	\$ 65,358	\$ 63,289
Receivables:								
Delinquent property taxes	-	-	-	-	-	-	-	-
Loan	-	-	-	-	-	-	-	-
Intergovernmental	2,591	-	-	-	-	104	3,098	5,304
Total assets	<u>\$ (48,144)</u>	<u>\$ 23,803</u>	<u>\$ 684</u>	<u>\$ 3,270</u>	<u>\$ 11,531</u>	<u>\$ 1,705</u>	<u>\$ 68,456</u>	<u>\$ 68,593</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ 16,164	\$ -	\$ 257	\$ -	\$ 3,137	\$ -	\$ 1,245	\$ -
Accrued salaries	-	-	-	-	-	-	-	-
Total liabilities	16,164	-	257	-	3,137	-	1,245	-
Fund balance:								
Unreserved and reported in:								
Special revenues funds	(64,308)	23,803	427	3,270	8,394	1,705	67,211	68,593
Total liabilities and fund balance	<u>\$ (48,144)</u>	<u>\$ 23,803</u>	<u>\$ 684</u>	<u>\$ 3,270</u>	<u>\$ 11,531</u>	<u>\$ 1,705</u>	<u>\$ 68,456</u>	<u>\$ 68,593</u>

(continued)



STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2010

**Special Revenue Funds**

	Development Loan Fund	Clerk's Filing Fees Fund	Crime Stoppers Fund	Sheriff Donations Fund	Drug Enforcements Fund	Chacon VFD Fund	Mora VFD Fund	Guadalupita VFD Fund	Golondrinas VFD Fund
<b>ASSETS</b>									
Pooled cash and investments	\$ 2,217	\$ 21,192	\$ 600	\$ 1,562	\$ 154	\$ 85,700	\$ 356	\$ 157,133	\$ 47,784
Receivables:									
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Loan	2,541	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	58	-	58	-
Total assets	<u>\$ 4,758</u>	<u>\$ 21,192</u>	<u>\$ 600</u>	<u>\$ 1,562</u>	<u>\$ 154</u>	<u>\$ 85,758</u>	<u>\$ 356</u>	<u>\$ 157,191</u>	<u>\$ 47,784</u>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ 523	\$ 141	\$ 515
Accrued salaries	-	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	23	523	141	515
Fund balance:									
Unreserved and reported in:									
Special revenues funds	<u>4,758</u>	<u>21,192</u>	<u>600</u>	<u>1,562</u>	<u>154</u>	<u>85,735</u>	<u>(167)</u>	<u>157,050</u>	<u>47,269</u>
Total liabilities and fund balance	<u>\$ 4,758</u>	<u>\$ 21,192</u>	<u>\$ 600</u>	<u>\$ 1,562</u>	<u>\$ 154</u>	<u>\$ 85,758</u>	<u>\$ 356</u>	<u>\$ 157,191</u>	<u>\$ 47,784</u>

(continued)

STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2010

**Special Revenue Funds**

	Ocate VFD Fund	Rainsville VFD Fund	Watrous VFD Fund	CHET VFD Fund	LMC VFD Fund	US Cops Grant Fund	Buena Vista VFD Fund	Mora VFD NMEMNRD Grant Fund	Homeland Security Grant Fund
<b>ASSETS</b>									
Pooled cash and investments	\$ 47,100	\$ 27,702	\$ 56,042	\$ 166,832	\$ 19,183	\$ (14,161)	\$ 64,997	\$ -	\$ (87,514)
Receivables:									
Delinquent property taxes	-	-	-	-	-	-	-	-	-
Loan	-	-	-	-	-	-	-	-	-
Intergovernmental	58	58	-	-	-	-	-	-	-
Total assets	<u>\$ 47,158</u>	<u>\$ 27,760</u>	<u>\$ 56,042</u>	<u>\$ 166,832</u>	<u>\$ 19,183</u>	<u>\$ (14,161)</u>	<u>\$ 64,997</u>	<u>\$ -</u>	<u>\$ (87,514)</u>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts payable	\$ 24	\$ 285	\$ 74	\$ 97	\$ 252	\$ -	\$ 4,117	\$ -	\$ -
Accrued salaries	-	-	-	-	-	-	-	-	-
Total liabilities	24	285	74	97	252	-	4,117	-	-
Fund balance:									
Unreserved and reported in:									
Special revenues funds	<u>47,134</u>	<u>27,475</u>	<u>55,968</u>	<u>166,735</u>	<u>18,931</u>	<u>(14,161)</u>	<u>60,880</u>	<u>-</u>	<u>(87,514)</u>
Total liabilities and fund balance	<u>\$ 47,158</u>	<u>\$ 27,760</u>	<u>\$ 56,042</u>	<u>\$ 166,832</u>	<u>\$ 19,183</u>	<u>\$ (14,161)</u>	<u>\$ 64,997</u>	<u>\$ -</u>	<u>\$ (87,514)</u>

(continued)

STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2010

**Special Revenue Funds**

	Ocate VFD USDA Grant Fund	CDWI Fund	DWI-D Fund	DWI-ST Fund	DWI - Donations Fund	DWI-G Fund	DOH/CHIC Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>								
Pooled cash and investments	\$ -	\$ (2,250)	\$ (11,279)	\$ (240)	\$ 12	\$ (17,350)	\$ 14,124	\$ 698,697
Receivables:								
Delinquent property taxes	-	-	-	-	-	-	-	-
Loan	-	-	-	-	-	-	-	2,541
Intergovernmental	-	-	-	-	-	6,105	-	17,434
Total assets	<u>\$ -</u>	<u>\$ (2,250)</u>	<u>\$ (11,279)</u>	<u>\$ (240)</u>	<u>\$ 12</u>	<u>\$ (11,245)</u>	<u>\$ 14,124</u>	<u>\$ 718,672</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,854
Accrued salaries	-	-	552	-	-	-	-	552
Total liabilities	-	-	552	-	-	-	-	27,406
Fund balance:								
Unreserved and reported in:								
Special revenues funds	-	(2,250)	(11,831)	(240)	12	(11,245)	14,124	691,266
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ (2,250)</u>	<u>\$ (11,279)</u>	<u>\$ (240)</u>	<u>\$ 12</u>	<u>\$ (11,245)</u>	<u>\$ 14,124</u>	<u>\$ 718,672</u>

STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	<b>Special Revenue Funds</b>			
	Corrections <u>Fund</u>	Property Valuation <u>Fund</u>	Emergency Medical Services <u>Fund</u>	Farm And Range <u>Fund</u>
<b>Revenues:</b>				
Local sources:				
Taxes:				
Penalties and interest	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Cigarette	-	-	-	-
Intergovernmental	99,928	-	3,000	-
Charges for services	-	22,238	-	-
Fines	-	-	-	-
Miscellaneous	-	-	-	684
	-	-	-	684
Total revenue	99,928	22,238	3,000	684
<b>Expenditures:</b>				
Current:				
General government	-	15,284	-	-
Public safety	232,143	-	26,246	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	-	-	-	-
	-	-	-	-
Total expenditures	232,143	15,284	26,246	-
Excess (deficiency) of revenues over expenditures	(132,215)	6,954	(23,246)	684
<b>Other financing sources and uses:</b>				
Transfers in	80,000	-	-	-
Transfers out	-	(2,242)	(37,053)	-
	-	(2,242)	(37,053)	-
Total other financing sources and uses	80,000	(2,242)	(37,053)	-
Net change in fund balance	(52,215)	4,712	(60,299)	684
Fund balance (deficit) at beginning of the year	(12,093)	19,091	60,726	2,586
Fund balance (deficit) at end of the year	\$ (64,308)	\$ 23,803	\$ 427	\$ 3,270

(continued)

STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	<b>Special Revenue Funds</b>			
	Law Protection <u>Fund</u>	Recreation <u>Fund</u>	Indigent <u>Fund</u>	County Fire Excise Tax <u>Fund</u>
<b>Revenues:</b>				
Local sources:				
Taxes:				
Penalties and interest	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	32,431	71,823
Cigarette	-	1,254	-	-
Intergovernmental	21,800	104	3,098	-
Charges for services	-	-	-	-
Fines	-	-	-	-
Miscellaneous	15,154	-	-	-
	36,954	1,358	35,529	71,823
<b>Total revenue</b>				
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	23,853	-	-	-
Public works	-	-	26,253	-
Culture and recreation	-	300	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	8,000	-	-	-
Bond interest paid	2,585	-	-	-
	34,438	300	26,253	-
<b>Total expenditures</b>				
Excess (deficiency) of revenues over expenditures	2,516	1,058	9,276	71,823
<b>Other financing sources and uses:</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(48,000)
	-	-	-	(48,000)
<b>Total other financing sources and uses</b>				
Net change in fund balance	2,516	1,058	9,276	23,823
Fund balance (deficit) at beginning of the year	5,878	647	57,935	44,770
Fund balance (deficit) at end of the year	\$ 8,394	\$ 1,705	\$ 67,211	\$ 68,593

(continued)

STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	<b>Special Revenue Funds</b>				
	Development Loan <u>Fund</u>	Clerk's Filing Fees <u>Fund</u>	Crime Stoppers <u>Fund</u>	Sheriff Donations <u>Fund</u>	Drug Enforcements <u>Fund</u>
Revenues:					
Local sources:					
Taxes:					
Penalties and interest	\$ 962	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-	-
Cigarette	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	4,895	-	-	-
Fines	-	-	-	-	-
Miscellaneous	-	-	600	-	-
	962	4,895	600	-	-
<b>Total revenue</b>	<b>962</b>	<b>4,895</b>	<b>600</b>	<b>-</b>	<b>-</b>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	44	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	5,448	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond interest paid	-	-	-	-	-
	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>5,448</b>	<b>-</b>	<b>44</b>	<b>-</b>
Excess (deficiency) of revenues over expenditures	962	(553)	600	(44)	-
Other financing sources and uses:					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
	-	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>962</b>	<b>(553)</b>	<b>600</b>	<b>(44)</b>	<b>-</b>
Fund balance (deficit) at beginning of the year	3,796	21,745	-	1,606	154
Fund balance (deficit) at end of the year	<b>\$ 4,758</b>	<b>\$ 21,192</b>	<b>\$ 600</b>	<b>\$ 1,562</b>	<b>\$ 154</b>

(continued)

STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	<b>Special Revenue Funds</b>			
	Chacon VFD <u>Fund</u>	Mora VFD <u>Fund</u>	Guadalupita VFD <u>Fund</u>	Golondrinas VFD <u>Fund</u>
<b>Revenues:</b>				
Local sources:				
Taxes:				
Penalties and interest	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Cigarette	-	-	-	-
Intergovernmental	51,800	51,636	72,028	51,636
Charges for services	-	-	-	-
Fines	-	31	164	76
Miscellaneous	58	-	58	-
	51,858	51,667	72,250	51,712
<b>Total revenue</b>	<b>51,858</b>	<b>51,667</b>	<b>72,250</b>	<b>51,712</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	10,059	49,586	39,911	18,186
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	10,642	-	6,998	7,013
Debt service:				
Principal retirement	-	5,000	7,000	9,723
Bond interest paid	-	4,195	5,642	1,218
	20,701	58,781	59,551	36,140
<b>Total expenditures</b>	<b>20,701</b>	<b>58,781</b>	<b>59,551</b>	<b>36,140</b>
Excess (deficiency) of revenues over expenditures	31,157	(7,114)	12,699	15,572
<b>Other financing sources and uses:</b>				
Transfers in	-	-	32,296	-
Transfers out	(24,600)	-	-	(96)
	(24,600)	-	32,296	(96)
<b>Total other financing sources and uses</b>	<b>(24,600)</b>	<b>-</b>	<b>32,296</b>	<b>(96)</b>
Net change in fund balance	6,557	(7,114)	44,995	15,476
Fund balance (deficit) at beginning of the year	79,178	6,947	112,055	31,793
Fund balance (deficit) at end of the year	\$ 85,735	\$ (167)	\$ 157,050	\$ 47,269

(continued)

STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	<b>Special Revenue Funds</b>			
	Ocate VFD <u>Fund</u>	Rainsville VFD <u>Fund</u>	Watrous VFD <u>Fund</u>	CHET VFD <u>Fund</u>
<b>Revenues:</b>				
Local sources:				
Taxes:				
Penalties and interest	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Cigarette	-	-	-	-
Intergovernmental	72,028	51,636	51,636	103,272
Charges for services	-	-	-	-
Fines	1,311	55	73	196
Miscellaneous	<u>58</u>	<u>58</u>	<u>-</u>	<u>17,758</u>
Total revenue	<u>73,397</u>	<u>51,749</u>	<u>51,709</u>	<u>121,226</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	49,974	20,057	20,903	42,703
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	6,998	19,808	-	24,756
Debt service:				
Principal retirement	21,189	20,000	-	-
Bond interest paid	<u>5,719</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>83,880</u>	<u>59,865</u>	<u>20,903</u>	<u>67,459</u>
Excess (deficiency) of revenues over expenditures	<u>(10,483)</u>	<u>(8,116)</u>	<u>30,806</u>	<u>53,767</u>
<b>Other financing sources and uses:</b>				
Transfers in	-	-	-	-
Transfers out	<u>(12,256)</u>	<u>(4,000)</u>	<u>(71)</u>	<u>(14)</u>
Total other financing sources and uses	<u>(12,256)</u>	<u>(4,000)</u>	<u>(71)</u>	<u>(14)</u>
Net change in fund balance	(22,739)	(12,116)	30,735	53,753
Fund balance (deficit) at beginning of the year	<u>69,873</u>	<u>39,591</u>	<u>25,233</u>	<u>112,982</u>
Fund balance (deficit) at end of the year	<u>\$ 47,134</u>	<u>\$ 27,475</u>	<u>\$ 55,968</u>	<u>\$ 166,735</u>

(continued)



STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	<b>Special Revenue Funds</b>			
		US Cops	Buena Vista	Mora VFD
	LMC VFD	Grant	VFD	NMEMNRD
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
<b>Revenues:</b>				
Local sources:				
Taxes:				
Penalties and interest	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Cigarette	-	-	-	-
Intergovernmental	99,194	-	73,375	-
Charges for services	-	-	-	-
Fines	51	-	88	-
Miscellaneous	-	-	-	20,000
	-	-	-	20,000
Total revenue	99,245	-	73,463	20,000
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	37,331	-	25,636	13,170
Public works	-	14,228	-	-
Culture and recreation	-	-	-	-
Capital outlay	16,908	-	7,161	-
Debt service:				
Principal retirement	14,560	-	12,962	-
Bond interest paid	8,567	-	2,259	-
	-	-	-	-
Total expenditures	77,366	14,228	48,018	13,170
Excess (deficiency) of revenues over expenditures	21,879	(14,228)	25,445	6,830
<b>Other financing sources and uses:</b>				
Transfers in	-	-	14	-
Transfers out	-	-	-	-
	-	-	-	-
Total other financing sources and uses	-	-	14	-
Net change in fund balance	21,879	(14,228)	25,459	6,830
Fund balance (deficit) at beginning of the year	(2,948)	67	35,421	(6,830)
Fund balance (deficit) at end of the year	\$ 18,931	\$ (14,161)	\$ 60,880	\$ -

(continued)

STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	<b>Special Revenue Funds</b>			
	Homeland	Ocate VFD		
	Security Grant <u>Fund</u>	USDA Grant <u>Fund</u>	CDWI <u>Fund</u>	DWI-D <u>Fund</u>
<b>Revenues:</b>				
Local sources:				
Taxes:				
Penalties and interest	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Cigarette	-	-	-	-
Intergovernmental	-	-	715	63,462
Charges for services	-	-	-	-
Fines	-	-	-	-
Miscellaneous	-	-	-	-
	-	-	-	-
Total revenue	-	-	715	63,462
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	1,871	1,871	63,787
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlay	87,514	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	-	-	-	-
	-	-	-	-
Total expenditures	87,514	1,871	1,871	63,787
Excess (deficiency) of revenues over expenditures	(87,514)	(1,871)	(1,156)	(325)
<b>Other financing sources and uses:</b>				
Transfers in	-	-	-	239
Transfers out	-	-	(239)	-
	-	-	(239)	239
Total other financing sources and uses	-	-	(239)	239
Net change in fund balance	(87,514)	(1,871)	(1,395)	(86)
Fund balance (deficit) at beginning of the year	-	1,871	(855)	(11,745)
Fund balance (deficit) at end of the year	\$ (87,514)	\$ -	\$ (2,250)	\$ (11,831)

(continued)

STATE OF NEW MEXICO  
MORA COUNTY

NON-MAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures, and  
Changes in Fund Balance  
Year Ended June 30, 2010

	<b>Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>DWI-ST Fund</b>	<b>DWI - Donations Fund</b>	<b>DWI-G Fund</b>	<b>DOH/CHIC Fund</b>	
<b>Revenues:</b>					
<b>Local sources:</b>					
<b>Taxes:</b>					
Penalties and interest	\$ -	\$ -	\$ -	\$ -	\$ 962
Gross receipts	-	-	-	-	104,254
Cigarette	-	-	-	-	1,254
Intergovernmental	750	-	14,203	50,000	935,301
Charges for services	-	-	-	-	27,133
Fines	-	-	-	-	2,045
Miscellaneous	-	500	-	-	54,928
	750	500	14,203	50,000	1,125,877
<b>Total revenue</b>					
<b>Expenditures:</b>					
<b>Current:</b>					
General government	-	-	-	-	15,284
Public safety	984	503	14,203	52,365	745,342
Public works	-	-	-	-	40,525
Culture and recreation	-	-	-	-	300
Capital outlay	-	-	-	-	193,246
<b>Debt service:</b>					
Principal retirement	-	-	-	-	98,434
Bond interest paid	-	-	-	-	30,185
	984	503	14,203	52,365	1,123,316
<b>Total expenditures</b>					
Excess (deficiency) of revenues over expenditures	(234)	(3)	-	(2,365)	2,561
<b>Other financing sources and uses:</b>					
Transfers in	-	180	-	-	112,729
Transfers out	(180)	-	-	-	(128,751)
	(180)	180	-	-	(16,022)
<b>Total other financing sources and uses</b>					
Net change in fund balance	(414)	177	-	(2,365)	(13,461)
Fund balance (deficit) at beginning of the year	174	(165)	(11,245)	16,489	704,727
Fund balance (deficit) at end of the year	\$ (240)	\$ 12	\$ (11,245)	\$ 14,124	\$ 691,266

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## **BUDGETARY PRESENTATION**

## NONMAJOR SPECIAL REVENUE FUNDS

### CORRECTIONS

To account for correction fees authorized by Section 66-8-116, NMSA, 1978. Such revenues are used to supplement general funds for the care of prisoners.

### CLERK FILING FEES

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 recording, filing, maintaining or reproducing of documents in the Office of the County Clerk. This fund was created by authority of state statute. (See Section 14-8-12.2, NMSA 1978 Compilation).

### DEVELOPMENT LOAN

To account for payments received on the economic development loans. Funding was provided by a prior year CDBG grant.

### FIRE DISTRICT FUNDS

To account for the revenues and expenditures of fire protection funds for the communities of Chacon, Mora, Guadalupita, Golondrinas, Ocate, Rainsville, Watrous, Chet, LMC, and Buena Vista. Funding is provided by allotments from the New Mexico State Fire Marshall's Office. The funds were created under the authority of state statute (section 59A-93-5-8 and 59A-53-5, NMSA 1978 compilation).

### LAW 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.

### US COPS

To account for grant funds provided by the U.S. Department of Justice to hire two new additional full-time officers. Authority is Public Safety Partnership and Community Policy Act of 1994.

### WILDLAND FIRE, MORA VFD NMEMNRD GRANT, CHET VFD NMEMRD GRANT AND RAINSVILLE VFD NMEMRD GRANT

To account for revenues and expenditures for grant funds to fight wild fires within the county. Funding is provided by allotments from the New Mexico State Fire Marshall's Office. The funds were created under the authority of State Statute (section 59A-53-5, NMSA 1978 compilation).

### USDA GRANTS

To account for funds received under a grant from the U.S. Department of Agriculture to undertake the acquisition, construction, enlargement, capital improvement, or purchase of equipment for the community of Rainsville, LMC, Golondrinas. Authority is 197 C.F.R. Part 3570.

### FARM AND RANGE

To account for the operations and maintenance of county roads and predatory animal control. Financing is provided by the county's share of grazing fees. Such fees provide for payment of all current operating costs and may be used only for that purpose. Authority is NMSA 6-11-6 and funding is provided by the Taylor Grazing Act.

### RECREATION

To account for revenues and expenditures related to the County's Youth recreational activities. Funds are provided by the state shared cigarette tax. The fund was created by authority of state statute (see Section 7-12-15, NMSA 1978 Compilation).

## NONMAJOR SPECIAL REVENUE FUNDS

### INDIGENT

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 24-10A-1, NMSA 1978 Compilation).

### 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).

### EMERGENCY MEDICAL SERVICES

The fund is to account for a grant from the State of New Mexico Health and Environment Department to be utilized for capital outlay for fire personnel as paramedics. The fund was created by the authority of State statute Section 24-10A-6, NMSA, 1978 Compilation.

### COUNTY FIRE EXCISE TAX

The fund is used to account for the fire excise tax set aside for the purpose of financial operational expenses in providing ambulances for the County. The taxes are held in the share account until allocated and expended for the various emergency services. The fund was created by authority of the County Electorate Election held November 9, 1998. The financing is provided by an excise tax equal to  $\frac{1}{4}$  of 1 percent of the gross receipts. The funds are provided by the New Mexico Department of Safety and a proclamation by the Governor.

### CDWI, DWI – D, DWI-ST, AND DWI – G, DWI - DONATIONS

To account for grant funds from the Department of Finance and Administration to provide quality substance abuse treatment, community education, outreach and primary prevention services to citizens of Mora County. This fund was created by authority of state statute (see Section 66-7-501 to 66-7-511 of NMSA

### DOH/CHIC

To account for grant funds from the Department of Health to provide support for positive health outcomes in New Mexico through the community health improvement process implemented by a Community Health Council

### OCATE VFD USDA GRANT

To account for funds received under a grant from the U.S. Department of Agriculture to undertake the acquisition, construction, enlargement, capital improvement, or purchase of equipment. Authority is 197 C.F.R.

### SHERIFF DONATION

To account for funds donated to the sheriff department.

### DRUG ENFORCEMENTS

To account for funds used for drug enforcement projects.

### CRIME STOPPERS

To account for funds used in the prevention of crime

### HOMELAND SECURITY

To account for grant funds from the Department of Homeland Security for the purchase of equipment.

STATE OF NEW MEXICO  
MORA COUNTY

CORRECTIONS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 189,000	\$ 189,000	\$ 104,001	\$ (84,999)
Expenditures:				
Current:				
Public safety	<u>189,000</u>	<u>189,000</u>	<u>236,287</u>	<u>(47,287)</u>
Excess (deficiency) of revenues over expenditures	-	-	(132,286)	(132,286)
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Net change in fund balance	-	-	(52,286)	(52,286)
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>(12,093)</u>	<u>(12,093)</u>
Fund balance (deficit) at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>(64,379)</u></u>	<u><u>\$ (64,379)</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			(4,073)	
Change in payables			<u>4,144</u>	
			<u><u>\$ (64,308)</u></u>	



STATE OF NEW MEXICO  
MORA COUNTY

PROPERTY VALUATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
Charges for services	\$ 19,000	\$ 16,758	\$ 22,238	\$ 5,480
Expenditures:				
Current:				
General government	37,347	35,105	16,653	18,452
Excess (deficiency) of revenues over expenditures	(18,347)	(18,347)	5,585	23,932
Other uses:				
Transfers out	-	-	(2,242)	(2,242)
Net change in fund balance	(18,347)	(18,347)	3,343	21,690
Beginning cash balance budgeted	18,347	18,347	-	(18,347)
Fund balance at beginning of the year	-	-	19,091	19,091
Fund balance at end of the year	\$ -	\$ -	22,434	\$ 22,434
RECONCILIATION TO GAAP BASIS:				
Change in payables			1,369	
			\$ 23,803	

STATE OF NEW MEXICO  
MORA COUNTY

EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive <u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 13,916	\$ 17,817	\$ 17,817	\$ -
Expenditures:				
Current:				
Public safety	<u>23,570</u>	<u>27,471</u>	<u>26,788</u>	<u>683</u>
Excess (deficiency) of revenues over expenditures	(9,654)	(9,654)	(8,971)	683
Other uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(37,053)</u>	<u>(37,053)</u>
Net change in fund balance	(9,654)	(9,654)	(46,024)	(36,370)
Beginning cash balance budgeted	9,654	9,654	-	(9,654)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>60,726</u>	<u>60,726</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>14,702</u>	<u>\$ 14,702</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			(14,817)	
Change in payables			<u>542</u>	
			<u>\$ 427</u>	

STATE OF NEW MEXICO  
MORA COUNTY

FARM AND RANGE SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 500	\$ 500	\$ 684	\$ 184
Expenditures:				
Current:				
Public works	<u>3,086</u>	<u>3,086</u>	<u>-</u>	<u>3,086</u>
Excess (deficiency) of revenues over expenditures	(2,586)	(2,586)	684	3,270
Beginning cash balance budgeted	2,586	2,586	-	(2,586)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>2,586</u>	<u>2,586</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>3,270</u>	<u>\$ 3,270</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 3,270</u>	

STATE OF NEW MEXICO  
MORA COUNTY

LAW PROTECTION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 21,800	\$ 36,954	\$ 36,954	\$ -
Expenditures:				
Current:				
Public safety	18,664	33,818	21,036	12,782
Debt service:				
Principal retirement	<u>9,333</u>	<u>9,333</u>	<u>10,585</u>	<u>(1,252)</u>
Total expenditures	<u>27,997</u>	<u>43,151</u>	<u>31,621</u>	<u>11,530</u>
Excess (deficiency) of revenues over expenditures	(6,197)	(6,197)	5,333	11,530
Beginning cash balance budgeted	6,197	6,197	-	(6,197)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>5,878</u>	<u>5,878</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	11,211	<u>\$ 11,211</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(2,817)</u>	
			<u>\$ 8,394</u>	

STATE OF NEW MEXICO  
MORA COUNTY

RECREATION SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
Taxes:				
Cigarette	\$ 1,400	\$ 1,400	\$ 1,503	\$ 103
 Expenditures:				
Current:				
Culture and recreation	<u>1,798</u>	<u>1,798</u>	<u>300</u>	<u>1,498</u>
Excess (deficiency) of revenues over expenditures	(398)	(398)	1,203	1,601
Beginning cash balance budgeted	398	398	-	(398)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>647</u>	<u>647</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>1,850</u>	<u><u>\$ 1,850</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in receivables			<u>(145)</u>	
			<u><u>\$ 1,705</u></u>	

STATE OF NEW MEXICO  
MORA COUNTY

INDIGENT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
Gross receipts	\$ 45,000	\$ 45,000	\$ 39,980	\$ (5,020)
 Expenditures:				
Current:				
Public works	<u>99,031</u>	<u>99,031</u>	<u>28,653</u>	<u>70,378</u>
Excess (deficiency) of revenues over expenditures	(54,031)	(54,031)	11,327	65,358
Beginning cash balance budgeted	54,031	54,031	-	(54,031)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>57,935</u>	<u>57,935</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>69,262</u>	<u><u>\$ 69,262</u></u>
 RECONCILIATION TO GAAP BASIS:				
Change in receivables			(4,450)	
Change in payables			<u>2,399</u>	
			<u><u>\$ 67,211</u></u>	

STATE OF NEW MEXICO  
MORA COUNTY

COUNTY FIRE EXCISE TAX SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
Taxes:				
Gross receipts	\$ -	\$ -	\$ 66,519	\$ 66,519
 Expenditures:				
Current:				
Public safety	-	-	-	-
Excess of revenues over expenditures	-	-	66,519	66,519
 Other uses:				
Transfers out	-	-	(48,000)	(48,000)
Net change in fund balance	-	-	18,519	18,519
Fund balance at beginning of the year	-	-	44,770	44,770
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	63,289	<u>\$ 63,289</u>
 RECONCILIATION TO GAAP BASIS:				
Change in receivables			5,304	
			<u>\$ 68,593</u>	

STATE OF NEW MEXICO  
MORA COUNTY

DEVELOPMENT LOAN SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes:				
Penalties and interest	\$ -	\$ -	\$ 962	\$ 962
 Expenditures:				
Current:				
Public works	-	-	-	-
Excess of revenues over expenditures	-	-	962	962
Fund balance at beginning of the year	-	-	3,796	3,796
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	4,758	<u>\$ 4,758</u>
 RECONCILIATION TO GAAP BASIS:				
Change in receivables			-	
			<u>\$ 4,758</u>	



STATE OF NEW MEXICO  
MORA COUNTY

CLERK'S FILING FEES SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
Charges for services	\$ 5,000	\$ 5,000	\$ 4,895	\$ (105)
Expenditures:				
Capital outlay:				
Equipment	<u>26,745</u>	<u>26,745</u>	<u>5,448</u>	<u>21,297</u>
Excess (deficiency) of revenues over expenditures	(21,745)	(21,745)	(553)	21,192
Beginning cash balance budgeted	21,745	21,745	-	(21,745)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>21,745</u>	<u>21,745</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>21,192</u>	<u>\$ 21,192</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 21,192</u>	

STATE OF NEW MEXICO  
MORA COUNTY

CRIME STOPPERS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 600	\$ 600
Expenditures:				
Current:				
Public safety	-	-	-	-
Excess of revenues over expenditures	-	-	600	600
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	600	<u>\$ 600</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			<u>\$ 600</u>	

STATE OF NEW MEXICO  
MORA COUNTY

SHERIFF DONATIONS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive <u>(Negative)</u>
Revenues:				
Miscellaneous	\$ 1,606	\$ 1,606	\$ -	\$ (1,606)
Expenditures:				
Current:				
Public works	<u>1,606</u>	<u>1,606</u>	<u>44</u>	<u>1,562</u>
Excess (deficiency) of revenues over expenditures	-	-	(44)	(44)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>1,606</u>	<u>1,606</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,562</u>	<u>\$ 1,562</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ 1,562</u>	

STATE OF NEW MEXICO  
MORA COUNTY

DRUG ENFORCEMENTS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
Miscellaneous	\$ 154	\$ 154	\$ -	\$ (154)
Expenditures:				
Current:				
Public works	<u>154</u>	<u>154</u>	<u>-</u>	<u>154</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>154</u>	<u>154</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>154</u>	<u><u>\$ 154</u></u>
RECONCILIATION TO GAAP BASIS:				
Cash with fiscal agent			<u>-</u>	
			<u><u>\$ 154</u></u>	

STATE OF NEW MEXICO  
MORA COUNTY

CHACON VFD SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 51,636	\$ 27,036	\$ 51,800	\$ 24,764
Expenditures:				
Current:				
Public safety	55,849	55,849	14,515	41,334
Capital outlay:				
Equipment	<u>75,000</u>	<u>50,400</u>	<u>10,642</u>	<u>39,758</u>
Total expenditures	<u>130,849</u>	<u>106,249</u>	<u>25,157</u>	<u>81,092</u>
Excess (deficiency) of revenues over expenditures	(79,213)	(79,213)	26,643	105,856
Other uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(24,600)</u>	<u>(24,600)</u>
Net change in fund balance	(79,213)	(79,213)	2,043	81,256
Beginning cash balance budgeted	79,213	79,213	-	(79,213)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>79,178</u>	<u>79,178</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>81,221</u>	<u>\$ 81,221</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			58	
Change in payables			12	
Cash with fiscal agent			<u>4,444</u>	
			<u>\$ 85,735</u>	

STATE OF NEW MEXICO  
MORA COUNTY

MORA VFD SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 51,636	\$ 51,636	\$ 51,668	\$ 32
Expenditures:				
Current:				
Public safety	48,152	48,152	49,556	(1,404)
Debt service:				
Principal retirement	<u>10,923</u>	<u>10,923</u>	<u>9,195</u>	<u>1,728</u>
Total expenditures	<u>59,075</u>	<u>59,075</u>	<u>58,751</u>	<u>324</u>
Excess (deficiency) of revenues over expenditures	(7,439)	(7,439)	(7,083)	356
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>6,947</u>	<u>6,947</u>
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(136)	<u>\$ (136)</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(31)</u>	
			<u>\$ (167)</u>	

STATE OF NEW MEXICO  
MORA COUNTY

GUADALUPITA VFD SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 72,028	\$ 104,324	\$ 72,192	\$ (32,132)
Expenditures:				
Current:				
Public safety	72,028	72,124	45,744	26,380
Capital outlay:				
Equipment	113,586	133,144	6,998	126,146
Debt service:				
Principal retirement	-	12,642	12,642	-
Total expenditures	<u>185,614</u>	<u>217,910</u>	<u>65,384</u>	<u>152,526</u>
Excess (deficiency) of revenues over expenditures	(113,586)	(113,586)	6,808	120,394
Other financing sources:				
Transfers in	-	-	32,296	32,296
Net change in fund balance	(113,586)	(113,586)	39,104	152,690
Beginning cash balance budgeted	113,586	113,586	-	(113,586)
Fund balance at beginning of the year	-	-	112,055	112,055
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	151,159	<u>\$ 151,159</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			58	
Change in accrued liabilities			1,389	
Cash with fiscal agent			<u>4,444</u>	
			<u>\$ 157,050</u>	

STATE OF NEW MEXICO  
MORA COUNTY

GOLONDRINAS VFD SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 42,914	\$ 42,818	\$ 42,966	\$ 148
Expenditures:				
Current:				
Public safety	40,803	40,707	8,861	31,846
Capital outlay:				
Equipment	23,619	12,678	7,013	5,665
Debt service:				
Principal retirement	-	10,941	10,941	-
Total expenditures	<u>64,422</u>	<u>64,326</u>	<u>26,815</u>	<u>37,511</u>
Excess (deficiency) of revenues over expenditures	(21,508)	(21,508)	16,151	37,659
Other uses:				
Transfers out	-	-	(96)	(96)
Net change in fund balance	(21,508)	(21,508)	16,055	37,563
Beginning cash balance budgeted	21,508	21,508	-	(21,508)
Fund balance at beginning of the year	-	-	31,793	31,793
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	47,848	<u>\$ 47,848</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			(515)	
Cash with fiscal agent			<u>(64)</u>	
			<u>\$ 47,269</u>	



STATE OF NEW MEXICO  
MORA COUNTY

OCATE VFD SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Intergovernmental	\$ 55,738	\$ 44,662	\$ 57,028	\$ 12,366
Expenditures:				
Current:				
Public safety	53,255	54,506	37,941	16,565
Capital outlay:				
Equipment	72,193	59,866	6,998	52,868
Debt service:				
Principal retirement	-	-	26,908	(26,908)
Total expenditures	<u>125,448</u>	<u>114,372</u>	<u>71,847</u>	<u>42,525</u>
Excess (deficiency) of revenues over expenditures	(69,710)	(69,710)	(14,819)	54,891
Other uses:				
Transfers out	-	-	(12,256)	(12,256)
Net change in fund balance	(69,710)	(69,710)	(27,075)	42,635
Beginning cash balance budgeted	69,710	69,710	-	(69,710)
Fund balance at beginning of the year	-	-	69,873	69,873
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	42,798	<u>\$ 42,798</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			58	
Change in payables			(24)	
Cash with fiscal agent			<u>4,302</u>	
			<u>\$ 47,134</u>	

STATE OF NEW MEXICO  
MORA COUNTY

RAINSVILLE VFD SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Intergovernmental	\$ 51,636	\$ 47,636	\$ 51,692	\$ 4,056
Expenditures:				
Current:				
Public safety	51,635	51,635	24,217	27,418
Capital outlay:				
Equipment	39,591	15,591	19,808	(4,217)
Debt service:				
Principal retirement	-	20,000	20,000	-
Total expenditures	<u>91,226</u>	<u>87,226</u>	<u>64,025</u>	<u>23,201</u>
Excess (deficiency) of revenues over expenditures	(39,590)	(39,590)	(12,333)	27,257
Other uses:				
Transfers out	-	-	(4,000)	(4,000)
Net change in fund balance	(39,590)	(39,590)	(16,333)	23,257
Beginning cash balance budgeted	39,590	39,590	-	(39,590)
Fund balance at beginning of the year	-	-	39,591	39,591
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	23,258	<u>\$ 23,258</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			58	
Change in payables			(285)	
Cash with fiscal agent			<u>4,444</u>	
			<u>\$ 27,475</u>	

STATE OF NEW MEXICO  
MORA COUNTY

WATROUS VFD SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 51,636	\$ 51,565	\$ 51,709	\$ 144
Expenditures:				
Current:				
Public safety	51,636	51,565	20,829	30,736
Capital outlay:				
Equipment	<u>25,233</u>	<u>25,233</u>	<u>-</u>	<u>25,233</u>
Total expenditures	<u>76,869</u>	<u>76,798</u>	<u>20,829</u>	<u>55,969</u>
Excess (deficiency) of revenues over expenditures	(25,233)	(25,233)	30,880	56,113
Other uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(71)</u>	<u>(71)</u>
Net change in fund balance	(25,233)	(25,233)	30,809	56,042
Beginning cash balance budgeted	25,233	25,233	-	(25,233)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>25,233</u>	<u>25,233</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>56,042</u>	<u>\$ 56,042</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(74)</u>	
			<u>\$ 55,968</u>	

STATE OF NEW MEXICO  
MORA COUNTY

CHET VFD SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 103,272	\$ 121,016	\$ 121,226	\$ 210
Expenditures:				
Current:				
Public safety	103,272	121,016	42,606	78,410
Capital outlay:				
Equipment	<u>112,982</u>	<u>112,982</u>	<u>24,756</u>	<u>88,226</u>
Total expenditures	<u>216,254</u>	<u>233,998</u>	<u>67,362</u>	<u>166,636</u>
Excess (deficiency) of revenues over expenditures	(112,982)	(112,982)	53,864	166,846
Other uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>(14)</u>
Net change in fund balance	(112,982)	(112,982)	53,850	166,832
Beginning cash balance budgeted	112,982	112,982	-	(112,982)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>112,982</u>	<u>112,982</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>166,832</u>	<u>\$ 166,832</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(97)</u>	
			<u>\$ 166,735</u>	

STATE OF NEW MEXICO  
MORA COUNTY

LMC VFD SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 92,186	\$ 92,186	\$ 95,179	\$ 2,993
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	58,892	58,892	33,018	25,874
<b>Capital outlay:</b>				
Equipment	33,294	10,167	16,908	(6,741)
<b>Debt service:</b>				
Principal retirement	-	23,127	23,127	-
Total expenditures	<u>92,186</u>	<u>92,186</u>	<u>73,053</u>	<u>19,133</u>
Excess of revenues over expenditures	-	-	22,126	22,126
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>(2,948)</u>	<u>(2,948)</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	19,178	<u>\$ 19,178</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			(252)	
Cash with fiscal agent			<u>5</u>	
			<u>\$ 18,931</u>	

STATE OF NEW MEXICO  
MORA COUNTY

US COPS GRANT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 94,244	\$ 94,244	\$ -	\$ (94,244)
 <b>Expenditures:</b>				
Current:				
General government:				
Public works	94,244	94,244	14,228	80,016
Excess (deficiency) of revenues over expenditures	-	-	(14,228)	(14,228)
Fund balance at beginning of the year	-	-	67	67
Fund balance (deficit) at end of the year	\$ -	\$ -	(14,161)	\$ (14,161)
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Cash with fiscal agent			-	
			\$ (14,161)	

STATE OF NEW MEXICO  
MORA COUNTY

BUENA VISTA VFD SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 68,326	\$ 68,340	\$ 68,407	\$ 67
 <b>Expenditures:</b>				
Current:				
Public safety	68,615	68,629	16,419	52,210
 Capital outlay:				
Equipment	35,000	19,779	7,161	12,618
 Debt service:				
Principal retirement	-	15,221	15,221	-
Total expenditures	103,615	103,629	38,801	64,828
Excess (deficiency) of revenues over expenditures	(35,289)	(35,289)	29,606	64,895
 Other financing sources:				
Transfers in	-	-	14	14
Net change in fund balance	(35,289)	(35,289)	29,620	64,909
Beginning cash balance budgeted	35,289	35,289	-	(35,289)
Fund balance at beginning of the year	-	-	35,421	35,421
Fund balance at end of the year	\$ -	\$ -	65,041	\$ 65,041
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			(4,117)	
Cash with fiscal agent			(44)	
			\$ 60,880	

STATE OF NEW MEXICO  
MORA COUNTY

MORA VFD NMEMNRD GRANT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues:</b>				
Miscellaneous	\$ 13,171	\$ 13,171	\$ 20,000	\$ 6,829
 <b>Expenditures:</b>				
<b>Current:</b>				
Public safety	13,171	13,171	13,170	1
Excess of revenues over expenditures	-	-	6,830	6,830
Fund balance (deficit) at beginning of the year	-	-	(6,830)	(6,830)
Fund balance at end of the year	\$ -	\$ -	-	\$ -
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Cash with fiscal agent			-	
			\$ -	



STATE OF NEW MEXICO  
MORA COUNTY

HOMELAND SECURITY GRANT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Expenditures:				
Capital outlay:				
Equipment	<u>200,000</u>	<u>200,000</u>	<u>87,514</u>	<u>112,486</u>
Excess (deficiency) of revenues over expenditures	-	-	(87,514)	(87,514)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	(87,514)	<u>\$ (87,514)</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u>\$ (87,514)</u>	

STATE OF NEW MEXICO  
MORA COUNTY

OCATE VFD USDA GRANT SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues:</b>				
Miscellaneous	\$ 1,871	\$ 1,871	\$ -	\$ (1,871)
 <b>Expenditures:</b>				
<b>Current:</b>				
Public safety	-	-	1,871	(1,871)
 <b>Capital outlay:</b>				
Equipment	1,871	1,871	-	1,871
Total expenditures	1,871	1,871	1,871	-
Excess (deficiency) of revenues over expenditures	-	-	(1,871)	(1,871)
Fund balance at beginning of the year	-	-	1,871	1,871
Fund balance at end of the year	\$ -	\$ -	-	\$ -
 <b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			-	
			\$ -	

STATE OF NEW MEXICO  
MORA COUNTY

CDWI SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,412	\$ 2,172	\$ 836	\$ (1,336)
Expenditures:				
Current:				
Public safety	<u>2,412</u>	<u>2,172</u>	<u>1,871</u>	<u>301</u>
Excess (deficiency) of revenues over expenditures	-	-	(1,035)	(1,035)
Other uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(239)</u>	<u>(239)</u>
Net change in fund balance	-	-	(1,274)	(1,274)
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>(855)</u>	<u>(855)</u>
Fund balance (deficit) at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>(2,129)</u>	<u>\$ (2,129)</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			<u>(121)</u>	
			<u>\$ (2,250)</u>	

STATE OF NEW MEXICO  
MORA COUNTY

DWI-D SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 61,000	\$ 63,702	\$ 63,462	\$ (240)
Expenditures:				
Current:				
Public safety	<u>61,000</u>	<u>63,702</u>	<u>64,113</u>	<u>(411)</u>
Excess (deficiency) of revenues over expenditures	-	-	(651)	(651)
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>239</u>	<u>239</u>
Net change in fund balance	-	-	(412)	(412)
Fund balance (deficit) at beginning of the year	<u>-</u>	<u>-</u>	<u>(11,745)</u>	<u>(11,745)</u>
Fund balance (deficit) at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(12,157)</u>	<u><u>\$ (12,157)</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			878	
Change in accrued liabilities			<u>(552)</u>	
			<u><u>\$ (11,831)</u></u>	

STATE OF NEW MEXICO  
MORA COUNTY

DWI-ST SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with Final Budget Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 631	\$ 451	\$ 750	\$ 299
Expenditures:				
Current:				
Public safety	<u>805</u>	<u>625</u>	<u>984</u>	<u>(359)</u>
Excess (deficiency) of revenues over expenditures	(174)	(174)	(234)	(60)
Other uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>(180)</u>	<u>(180)</u>
Net change in fund balance	(174)	(174)	(414)	(240)
Beginning cash balance budgeted	174	174	-	(174)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>174</u>	<u>174</u>
Fund balance (deficit) at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(240)</u>	<u><u>\$ (240)</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
			<u><u>\$ (240)</u></u>	

STATE OF NEW MEXICO  
MORA COUNTY

DWI - DONATIONS SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Miscellaneous	\$ 500	\$ 680	\$ 500	\$ (180)
Expenditures:				
Current:				
Public safety	500	680	503	177
Excess (deficiency) of revenues over expenditures	-	-	(3)	(3)
Other financing sources:				
Transfers in	-	-	180	180
Net change in fund balance	-	-	177	177
Fund balance (deficit) at beginning of the year	-	-	(165)	(165)
Fund balance at end of the year	\$ -	\$ -	12	\$ 12
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
			\$ 12	

STATE OF NEW MEXICO  
MORA COUNTY

DWI-G SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 23,425	\$ 23,850	\$ 19,164	\$ (4,686)
Expenditures:				
Current:				
Public safety	23,425	23,850	14,203	9,647
Excess of revenues over expenditures	-	-	4,961	4,961
Fund balance (deficit) at beginning of the year	-	-	(11,245)	(11,245)
Fund balance (deficit) at end of the year	\$ -	\$ -	(6,284)	\$ (6,284)
RECONCILIATION TO GAAP BASIS:				
Change in receivables			(4,961)	
			\$ (11,245)	

STATE OF NEW MEXICO  
MORA COUNTY

DOH/CHIC SPECIAL REVENUE FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 67,250	\$ 17,250
 Expenditures:				
Current:				
Public safety	<u>50,000</u>	<u>50,000</u>	<u>52,892</u>	<u>(2,892)</u>
 Excess of revenues over expenditures	-	-	14,358	14,358
 Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>16,489</u>	<u>16,489</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>30,847</u>	<u>\$ 30,847</u>
 RECONCILIATION TO GAAP BASIS:				
Change in receivables			(17,250)	
Change in payables			<u>527</u>	
			<u>\$ 14,124</u>	



## CAPITAL PROJECTS FUNDS

### CDBG

To account for development of viable urban communities and to construct a solid waste convenience center. Funding is from a Community Development Block Grant from the Department of HUD through the State Department of Finance and Administration under Grant 88-C-RS-1-2-G36 ABD 89-C-RS-11-G20.

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STATE OF NEW MEXICO  
MORA COUNTY

CDBG CAPITAL PROJECTS FUND  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 514,222	\$ 514,222	\$ 191,910	\$ (322,312)
Expenditures:				
Current:				
General government:				
General government	40,000	40,000	26,988	13,012
Capital outlay:				
Equipment	474,222	474,222	164,922	309,300
Total expenditures	514,222	514,222	191,910	322,312
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in receivables			102,988	
Change in payables			(92,903)	
			\$ 10,085	

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## DEBT SERVICE FUNDS

### DEBT SERVICE FUND

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

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STATE OF NEW MEXICO  
MORA COUNTY

DEBT SERVICE FUND

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes:				
Property	\$ -	\$ 184,000	\$ 282,957	\$ 98,957
Expenditures:				
Capital outlay:				
Equipment	125,045	125,045	125,045	-
Construction in progress	-	-	1,928,646	(1,928,646)
Debt service:				
Principal retirement	-	120,000	120,000	-
Bond interest paid	77,064	141,064	75,631	65,433
Total expenditures	202,109	386,109	2,249,322	(1,863,213)
Excess (deficiency) of revenues over expenditures	(202,109)	(202,109)	(1,966,365)	(1,764,256)
Beginning cash balance budgeted	202,109	202,109	-	(202,109)
Fund balance at beginning of the year	-	-	2,665,309	2,665,309
Fund balance at end of the year	\$ -	\$ -	698,944	\$ 698,944
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			2,106	
Cash with fiscal agent			(124,462)	
			\$ 576,588	

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## ENTERPRISE FUNDS

### SOLID WASTE FUND

The following fund accounts for the activities of the County's solid waste operations which includes collection of fees for solid waste.

STATE OF NEW MEXICO  
MORA COUNTY

SOLID WASTE  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive <u>(Negative)</u>
Operating revenues:				
Charges for sales and services:				
Solid waste charges	\$ 204,500	\$ 204,500	\$ 163,776	\$ (40,724)
Operating expenses:				
Personal services	86,709	86,709	94,897	(8,188)
Operating expenses	<u>154,791</u>	<u>154,791</u>	<u>151,202</u>	<u>3,589</u>
Total operating expenses	<u>241,500</u>	<u>241,500</u>	<u>246,099</u>	<u>(4,599)</u>
Income before contributions and transfers	(37,000)	(37,000)	(82,323)	(45,323)
Transfers in	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
Change in net assets	(37,000)	(37,000)	(42,323)	(5,323)
Net assets (deficit) - beginning of year	<u>46,851</u>	<u>46,851</u>	<u>46,851</u>	<u>-</u>
Net assets (deficit) - ending of year	<u>\$ 9,851</u>	<u>\$ 9,851</u>	4,528	<u>\$ (5,323)</u>
RECONCILIATION TO GAAP BASIS:				
Change in receivables			26,430	
Change in grant receivable			(6,387)	
Change in payables			1,631	
Change in accrued liabilities			<u>(1,090)</u>	
			<u>\$ 25,112</u>	

**SUPPLEMENTAL INFORMATION**

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**STATE OF NEW MEXICO  
MORA COUNTY**

**FIDUCIARY FUNDS  
Schedule of Changes in Assets and Liabilities - All Agency Funds  
Year Ended June 30, 2010**

<u>ASSETS</u>	<u>Balance July 1, 2009</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance June 30, 2010</u>
Cash	\$ 43,517	\$ 1,827,123	\$ 1,806,397	\$ 64,243
Receivables:				
Taxes	<u>268,954</u>	<u>2,216,489</u>	<u>2,194,373</u>	<u>291,070</u>
<b>Total assets</b>	<b><u>\$ 312,471</u></b>	<b><u>\$ 4,043,612</u></b>	<b><u>\$ 4,000,770</u></b>	<b><u>\$ 355,313</u></b>
 <u>LIABILITIES</u>				
Taxes due from others	\$ 268,954	\$ 2,216,489	\$ 2,194,373	\$ 291,070
Due to others	997	-	997	-
Undistributed taxes	29,501	1,811,211	1,781,426	59,286
Taxes paid in advance	<u>13,019</u>	<u>15,912</u>	<u>23,974</u>	<u>4,957</u>
<b>Deposits held for others</b>	<b><u>\$ 312,471</u></b>	<b><u>\$ 4,043,612</u></b>	<b><u>\$ 4,000,770</u></b>	<b><u>\$ 355,313</u></b>

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF PLEDGED COLLATERAL  
June 30, 2010

	<u>First Community Bank</u>	<u>Bank of Las Vegas</u>	<u>Bank of New York</u>	<u>State of New Mexico</u>	<u>Total</u>
Cash on deposit at June 30, 2010	\$ 2,217	\$ 1,948,834	\$ 448,265	\$ 18,647	\$ 2,417,963
Less FDIC coverage	<u>2,217</u>	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>252,217</u>
Uninsured funds	-	1,698,834	448,265	18,647	2,165,746
50% collateral requirement	<u>-</u>	<u>849,417</u>	<u>224,133</u>	<u>9,324</u>	<u>1,082,874</u>
Amount requiring pledged collateral	-	849,417	224,132	9,323	1,082,872
Pledged collateral	<u>-</u>	<u>1,010,000</u>	<u>448,265</u>	<u>9,323</u>	<u>1,467,588</u>
Excess of pledged collateral	<u>\$ -</u>	<u>\$ 160,583</u>	<u>\$ 224,133</u>	<u>\$ -</u>	<u>\$ 384,716</u>

Pledged collateral of financial institutions consists of the following at June 30, 2010

	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
Bank of Las Vegas:			
FHLB	5/25/2012	3133XWDCO	<u>\$ 1,010,000</u>

The above securities are held in Wells Fargo Bank at Minneapolis, Minnesota.

Bank of New York Government Securities (market value) \$ 448,265

State of New Mexico

Detail of pledged collateral specific to the County is unavilable because the bank commingles pledged collateral for all state funds it hold. However, the State Treasurer's Office Collateral Bureau monitors pledged collateral for all state funds.

Reconciliation to Financial Statements

Bank Balances	\$ 2,217	\$ 1,948,834	\$ 448,265	\$ 18,647	\$ 2,417,963
Reconciling items:					
Outstanding checks	<u>-</u>	<u>(62,790)</u>	<u>-</u>	<u>-</u>	<u>(62,790)</u>
Total per books	<u>\$ 2,217</u>	<u>\$ 1,886,044</u>	<u>\$ 448,265</u>	<u>\$ 18,647</u>	<u>2,355,173</u>
Cash on hand					<u>300</u>
Total per financial statements					<u>\$ 2,355,473</u>

(continued)

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF PLEDGED COLLATERAL  
June 30, 2010

Financial Statements:	
Cash and cash equivalents:	
Governmental activities	\$ 2,288,192
Cash in agency funds	64,243
Business-type activities	<u>3,038</u>
 Total per financial statements	 <u>\$ 2,355,473</u>

	<u>Bank Balance</u>	<u>Outstanding Deposits</u>	<u>Outstanding Checks</u>	<u>Book Balance</u>
Bank of Las Vegas:				
General Operating	\$ 1,716,024	\$ -	\$ (21,145)	\$ 1,694,879
Certificate of deposit	7,526	-	-	7,526
Certificate of deposit	72,877	-	-	72,877
Certificate of deposit	7,849	-	-	7,849
Certificate of deposit	10,888	-	-	10,888
Certificate of deposit	27,300	-	-	27,300
Certificate of deposit	27,300	-	-	27,300
Certificate of deposit	4,444	-	-	4,444
Certificate of deposit	4,444	-	-	4,444
Certificate of deposit	4,444	-	-	4,444
Certificate of deposit	4,444	-	-	4,444
Outstanding Warrants	59,767	-	(41,645)	18,122
Taxes in protest	1,524	-	-	1,524
Sheriff Account	3	-	-	3
First Community Bank:				
Checking	2,217	-	-	2,217
Bank of New York:				
Account	364,747	-	-	364,747
Account	38	-	-	38
Account	44,052	-	-	44,052
Account	39,428	-	-	39,428
New Mexico Finance Authority:				
Account	87	-	-	87
Account	1	-	-	1
Account	5	-	-	5
Account	21	-	-	21
Account	10,222	-	-	10,222
Account	<u>8,311</u>	<u>-</u>	<u>-</u>	<u>8,311</u>
	2,417,963	-	(62,790)	2,355,173
Petty cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>300</u>
	<u>\$ 2,417,963</u>	<u>\$ -</u>	<u>\$ (62,790)</u>	<u>\$ 2,355,473</u>

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF DELINQUENT PROPERTY TAXES  
June 30, 2010

Tax year	Taxes Billed	Adjustments to Taxes	Taxes Charged by Treasurer	Taxes Collected	Delinquent Taxes
2009	\$ 2,224,767	\$ (209,333)	\$ 2,015,434	\$ 1,981,863	\$ 33,571
2008	2,071,862	(92,408)	1,979,454	1,949,587	29,867
2007	1,922,243	(44,898)	1,877,345	1,850,728	26,617
2006	1,760,857	(18,610)	1,742,247	1,730,782	11,465
2005	1,790,364	(29,501)	1,760,863	1,753,625	7,238
2004	1,458,254	12,982	1,471,236	1,468,481	2,755
2003	1,433,130	1,940	1,435,070	1,432,766	2,304
2002	1,389,951	6,897	1,396,848	1,394,449	2,399
2001	1,396,818	(4,295)	1,392,523	1,390,606	1,917
2000	1,318,868	334	1,319,202	1,317,467	1,735
1999	1,239,207	(25,019)	1,214,188	1,212,807	1,381
Thereafter	-	-	-	(1,175)	1,175
<b>Total</b>	<b>\$ 18,006,321</b>	<b>\$ (401,911)</b>	<b>\$ 17,604,410</b>	<b>\$ 17,481,986</b>	<b>\$ 122,424</b>
District #001					\$ 110,663
District #2SM					7,103
District #12I					5,627
District #12O					10,889
District #10A					1,323
<b>Total</b>					<b>\$ 135,605</b>



**SINGLE AUDITSECTION**

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**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**

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# KEYSTONE ACCOUNTING, LLC

CERTIFIED PUBLIC ACCOUNTANTS

4801 N Butler, Ste. 8101  
Farmington, NM 87401

[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

Telephone (505) 566-1900  
Fax (505) 566-1911

## 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

Hector H. Balderas, State Auditor  
Members of the Mora County Commissioners

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of the Mora County, as of and for the year ended June 30, 2010, which collectively comprise the county's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 15, 2010. 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.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Mora County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mora County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Mora County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below we noted certain matters involving the internal control over financial reporting and its operation that we consider to be significant deficiencies.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. Findings 2010 – 2, 2010 – 4, and 2010 – 6

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[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

Telephone (505) 566-1900  
Fax (505) 566-1911

Hector H. Balderas, State Auditor  
Members of the Mora County Commissioners

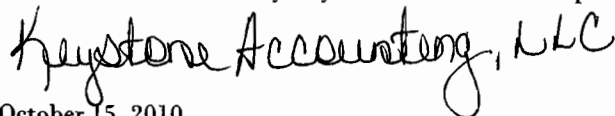
A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. Findings 2010 - 1, 2010 - 3, 2010 - 5, and 2010 - 7, through and 2010 - 15.

#### Compliance and other matters

As part of obtaining reasonable assurance about whether Mora County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, 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 seven instances of noncompliance or other matters that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as findings 2010 - 1, 2010 - 2, 2010 - 4, 2010 - 6 through 2010 - 11, and 2010 - 15.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the New Mexico State Auditor, New Mexico State Department of Finance and Administration - Local Government, New Mexico State Legislature, Management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



October 15, 2010

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

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4801 N Butler, Ste. 8101  
Farmington, NM 87401

[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

Telephone (505) 566-1900  
Fax (505) 566-1911

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Hector H. Balderas, State Auditor  
Members of the Mora County Commissioners

### Compliance

We have audited Mora County's 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 Mora County's major federal programs for the year ended June 30, 2010. Mora County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Mora County's management. Our responsibility is to express an opinion on Mora County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Mora 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. Our audit does not provide a legal determination of Mora County's compliance with those requirements.

In our opinion, Mora County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed no instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133.

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4801 N Butler, Ste. 8101  
Farmington, NM 87401

[keystone@keystoneacct.com](mailto:keystone@keystoneacct.com)

Telephone (505) 566-1900  
Fax (505) 566-1911

Hector H. Balderas, State Auditor  
Members of the Mora County Commissioners

## Internal Control Over Compliance

Management of Mora County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Mora County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and not for the purpose of expressing an opinion on the effectiveness of Mora County's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Mora 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. 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.

This report is intended solely for the information and use of the New Mexico State Auditor, New Mexico State Department of Finance and Administration – Local Government, New Mexico State Legislature, Management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Keystone Accounting, LLC*

October 15, 2010

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2010

---

A. PRIOR YEAR AUDIT FINDINGS

2005 – 1 LATE AUDIT REPORT

*Condition:*The New Mexico State Auditor required the audit to be completed and submitted to his office by November 15, 2009. The filing date of the completed annual audit is subsequent to the required due date.

*Recommendation:*The contracting for audit services should be initiated and completed in a time that allows for the audit to be completed by the required due date.

*Current year status:* Resolved. Not repeated in the current year.

2005 – 4 CASH RECONCILIATION

*Condition:* Nine of the thirteen accounts were completely missing from the reconciliation. – Five Bank of Albuquerque accounts, the Sheriffs checking account, and the three bond escrow accounts. The known and recorded bank accounts were not being reconciled to the general ledger.

*Recommendation:* The County needs to maintain awareness of cash accounts associated with debt and bond issues. The County should ascertain that the bank accounts ordered to be closed are in fact closed by confirmation from the bank or receipt of a closing statement. All cash accounts need to be reconciled to the general ledger within five days of receipt of the bank or escrow statement.

*Current year status:* Not resolved. Repeated in the current year as finding 2010 - 2.

2006 – 5 THE RESERVE WITH USDA IS DELENQUENT

*Condition:*The County has a revenue bond agreement which was signed in 2005, but the principal was not disbursed until 2006 and 2008. Also, the same bonds require a reserve funding which has not been funded as of June 30, 2006.

*Recommendation:*Either the bond agreements need to be updated, or the County needs to make the bond payments on schedule.

*Current year status:*Resolved. Not repeated in the current year.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2010

A. PRIOR YEAR AUDIT FINDINGS (continued)

2005 – 6 DEVELOPMENT LOAN COLLECTION

*Condition:* Our review of the notes receivable in the development loan fund revealed that no one person has been assigned the responsibility for the collection of past-due accounts.

*Recommendation:* We recommend that the County Commission appoint someone responsibility for the follow-up and collection of delinquent accounts. The responsible person would have authority to set-up payment plans, foreclose or whatever steps necessary to collect the notes.

*Current year status:* Not resolved. Repeated in the current year as finding 2010 - 3.

2005 – 7 BUDGET OVER EXPENDITURES

*Condition:*The County incurred expenditures in excess of the approved budget in the following funds.

<u>Fund</u>	<u>Approved Budget</u>	<u>Actual Expenditures</u>	<u>Amount over expended</u>
General Fund	\$ 1,347,515	\$ 1,438,268	\$ (90,753)
Corrections	167,236	180,442	(13,206)
Severance Bond SAP	2,249,795	2,459,731	(209,936)
Recreation	1,562	1,748	(186)
LMC VFD	106,041	109,056	(3,015)
DWI-D	55,898	56,673	(775)
DWI-ST	944	1,165	(221)
DWI - Donations	337	502	(165)
CDBG	<u>467,082</u>	<u>470,048</u>	<u>(2,966)</u>
Total	<u>4,396,410</u>	<u>4,717,633</u>	<u>(321,223)</u>

*Recommendation:*We recommend that purchases not be approved which would cause the budget to be exceeded. We also recommend that timely budget adjustments be prepared when necessary.

*Current year status:* Not resolved. Repeated in the current year as finding 2010 - 4.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2010

A. PRIOR YEAR AUDIT FINDINGS (continued)

2006 – 8 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS

*Condition:* There were unfavorable variances between actual and budgeted line item expenditures. The following funds had unfavorable variances between budgeted amounts at fiscal year end:

General Fund	Public Safety	\$ 55,152
General Fund	Public Works	42,829
General Fund	Capital Outlay	1,735
Corrections	Public Safety	13,206
Road	Public Works	116,561
Severance Bond SAP	Capital Outlay	209,936
Law Protection	Capital Outlay	7,246
Recreation	Culture and recreation	186
LMC VFD	Capital Outlay	19,258
Buena Vista VFD	Capital Outlay	8,181
Disaster Project	Transfer	4,784
DWI-D	Public Safety	775
DWI-ST	Public Safety	221
DWI-Donations	Public Safety	165
CDBG	Capital Outlay	2,966
Sanitary Landfill	Personnal services	608

*Recommendation:* Management should implement immediate steps to provide adequate financial reports to allow for proper and timely monitoring of line item expenditures. Budget adjustment requests should be approved by the Department of Finance and Administration – Local Government Division (when required) to receive approval to make necessary changes to the records prior to being presented for audit.

*Current year status:* Not resolved. Repeated in the current year as finding 2010 - 5.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
Year Ended June 30, 2010

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A. PRIOR YEAR AUDIT FINDINGS (continued)

2005 – 12 FAILURE TO FOLLOW CHART OF ACCOUNTS

*Condition:* The County has established a chart of accounts that includes codes for regular expenditures and then codes for expenditures that are considered capital outlays. The distinction between the different types of expenditures are not being recognized and recorded in the appropriate account codes.

*Recommendation:* The County needs to understand the distinction of capital expenditures and record them separate in order to allow for the verification of additions to the inventory of land, buildings, and equipment costing more than \$5,000.

*Current year status:* Resolved. Not repeated in the current year.

2006 – 12 PREPARATION OF FINANCIAL STATEMENTS

*Condition:* The financial statements were prepared by the auditor.

*Recommendation:* Management should develop a plan and system of controls that enable them to review the accuracy and completeness of the financial statements.

*Current year status:* Not resolved. Repeated in the current year as finding 2010 - 1.

2008 – 9 LACK OF ADEQUATE COLLATERALIZATION OF CASH BALANCES

*Condition:* The funds held in bank accounts in excess of \$250,000 were not adequately protected from loss through collateralization in case of a bank failure.

*Recommendation:* Funds in excess of \$250,000 should be deposited into a depository that meets the federal requirements to ensure adequate protection.

*Current year status:* Resolved. Not repeated in the current year.

2006 – 13 LATE FILING OF FEDERAL CLEARING HOUSE REPORTING

*Condition:* The June 30, 2006 audit report and data collection form were sent to the Federal Clearing House after the due date of either 30 days after the date of the audit report or nine months after the year end.

*Recommendation:* We recommend that all information be made available to the auditor on a timely basis.

*Current year status:* Resolved. Not repeated in the current year.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Mora County.
2. Fifteensignificant deficiencies disclosed during the audit of the financial statements are reported in the 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. Three of the deficiencies are reported as material weaknesses.
3. Three instances of noncompliance material to the financial statements of Mora County, which would be required to be required in accordance with Government Auditing Standards, were disclosed during the audit.
4. Nosignificant deficiencies disclosed during the audit of the major federal award programs is reported in the Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program on Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for MoraCounty expresses an unqualified opinion.
6. There are no audit findings that are required to be reported in accordance with section 510 (a) of OMB Circular A-133.
7. The programs tested as major programs were Community Development Block Grants CFDA# 14.218 and Forest Reserve CFDA # 10.670
8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. MoraCounty was determined not to be a low-risk auditee.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT

2010 – 1 PREPARATION OF FINANCIAL STATEMENTS  
(Repeat of Prior Year Finding 2006 – 12)

*Condition:* The financial statements were prepared by the auditor.

*Criteria:* As per SAS 115, management is required to have an internal control system of financial reporting including the preparation of the financial statements.

*Effect of condition:* Management's ability to ascertain the accuracy and completeness of the financial statements has been diminished.

*Cause:* Management does not have internal controls in place that are necessary for the preparation of the financial statements.

*Recommendation:* Management should develop a plan and system of controls that enable them to review the accuracy and completeness of the financial statements.

*Response:* A system of controls will be developed and implemented that will allow management to determine the accuracy and fair presentation of the financial statements.



STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 2 CASH RECONCILIATION

(Repeat of Prior Year Finding 2005 – 4)

*Condition:*The known and recorded bank accounts were not being reconciled to the general ledger. The general ledger was out of balance by \$39,460 which was adjusted into the general fund.

*Criteria:*As per 6.10.2 NMAC, it is the duty of every County that receives or disburses public money to maintain a cash record in which is entered daily, in detail, all items of receipts and disbursements of public money. The cash record shall be balanced daily so as to show the balance of public money on hand at the close of each day's business.

*Effect of condition:*The County cannot effectively manage money or budget if they are unaware of available funds.

*Cause:*The accounting system did not have a record of all cash accounts. As a result, the County did not have all public monies accounted for and reconciled in accordance with 6.10.2 NMAC. Current administration was not aware of the existence of the bond escrow accounts. Additionally, a bank account previously thought to have been closed was still being used by the sheriff's office.

*Recommendation:*The County needs to maintain awareness of cash accounts associated with debt and bond issues. The County should ascertain that the bank accounts ordered to be closed are in fact closed by confirmation from the bank or receipt of a closing statement. All cash accounts need to be reconciled to the general ledger within five days of receipt of the bank or escrow statement.

*Response:* The County will maintain awareness of cash accounts associated with debt and bond issues. The County will ascertain that the bank accounts ordered to be closed are in fact closed by confirmation from the bank or receipt of a closing statement. All cash accounts will be reconciled to the general ledger within five days of receipt of the bank or escrow statement.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 3 DEVELOPMENT LOAN COLLECTION  
(Repeat of Prior Year Finding 2005-6)

*Condition:* Our review of the notes receivable in the development loan fund revealed that no one person has been assigned the responsibility for the collection of past-due accounts.

*Criteria:* Standard business practice requires that loans made be collected. If an account becomes delinquent, it is management's responsibility to attempt collection, apply accrued interest, and treat it like a normal business loan.

*Effect of condition:* The County procedures do not assign responsibility for collection of past due notes. The County is at risk of not collecting the notes.

*Cause:* The County did not assign anyone to track the development loan collections.

*Recommendation:* We recommend that the County Commission appoint someone responsibility for the follow-up and collection of delinquent accounts. The responsible person would have authority to set-up payment plans, foreclose or whatever steps necessary to collect the notes.

*Response:* Mora County has recently received funding for Legal Assistance; with the attorney's help the County will be exploring the options so that we may collect from these loans.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 4 BUDGET OVER EXPENDITURES  
(Repeat of Prior Year Finding 2005 – 7)

*Condition:* The County incurred expenditures in excess of the approved budget in the following funds.

<u>Fund</u>	<u>Approved Budget</u>	<u>Actual Expenditures</u>	<u>Amount over expended</u>
Corrections	\$ 189,000	\$ 236,287	\$ (47,287)
DWI-D	63,702	64,113	(411)
DWI-ST	625	984	(359)
DOH/CHIC	50,000	52,892	(2,892)
Debt Service	-	2,249,322	(2,249,322)
Sanitary Landfill	<u>241,500</u>	<u>246,099</u>	<u>(4,599)</u>
Total	<u>544,827</u>	<u>2,849,697</u>	<u>(2,304,870)</u>

*Criteria:* According to NMSA 1978 Section 22-8-11 B all fiscal agents of public monies have a responsibility to monitor spending to comply with established budget guidelines. A budget is a proposed plan of financial operations for a given period of time. The annual budget authorizes and provides the basis for control of financial operations during the fiscal year. The budget should be analyzed monthly to insure expenditures remain within the legally adopted budget and revisions should be made whenever necessary.

*Effect of condition:* State statute may have been violated subjecting those responsible to the penalty provisions of the statute.

*Cause:* Purchases were approved in excess of available budget or budget adjustments were not approved to cover the expenditures approved.

*Recommendation:* We recommend that purchases not be approved which would cause the budget to be exceeded. We also recommend that timely budget adjustments be prepared when necessary.

*Response:* The County is currently reviewing the budget more frequently so that we can keep a tighter grasp on expenditures.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 5 LACK OF TIMELY MONITORING OF BUDGET LINE ITEMS  
(Repeat of Prior Year Finding 2006 – 8)

*Condition:* There were unfavorable variances between actual and budgeted line item expenditures. The following funds had unfavorable variances between budgeted amounts at fiscal year end:

General Fund	Public Safety	\$ 19,371
General Fund	Public Works	8,204
Corrections	Public Safety	47,287
Road	Public Works	146,587
Mora VFD	Public Safety	1,404
Rainsville VFD	Capital Outlay	4,217
Ocate VFD	Public Safety	1,871
Recreation	Culture and recreation	-
LMC VFD	Capital Outlay	6,741
Buena Vista VFD	Capital Outlay	-
DWI-D	Public Safety	411
DWI-ST	Public Safety	359
DOH/CHIC	Public Safety	2,892
Debt Service	Capital Outlay Equipment	125,045
Debt Service	Capital Outlay CIP	1,928,646
Debt Service	Principial Retirement	120000
Debt Service	Bond Interest Paid	75631
Solid Waste	Personal Services	8188

*Criteria:* According to NMSA 1978 Section 22-8-11 B all fiscal agents of public monies have a responsibility to monitor spending to comply with established budget guidelines.

*Effect of Condition:* Violation of NMSA 1978 Section 22-8-11 B, over spending of public monies. Improper monitoring could lead to expenditures being paid in excess of total budgeted amounts.

*Cause:* Improper monitoring of line item expenditures by comparing budgeted amounts and actual amounts spent allowed unfavorable (negative) variances, overspending of line item budgets, to occur.

*Recommendation:* Management should implement immediate steps to provide adequate financial reports to allow for proper and timely monitoring of line item expenditures. Budget adjustment requests should be approved by the Department of Finance and Administration – Local Government Division (when required) to receive approval to make necessary changes to the records prior to being presented for audit.

*Management Response:* All expenditure balances will be reviewed and monitored by line item to maintain a current analysis of actual versus approved budgeted amounts.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 6 STATE REPORTS

*Condition:*The amount of outstanding taxes reported to the state is not supported by the amounts in other schedules.

*Criteria:*Report balances should be reconciled to ensure the validity and reliability of the financial data.

*Effect of condition:*Validity of County report balances could not be verified.

*Cause:*The amounts of outstanding taxes are not tied to any supporting documents and could cause imbalances between the report and general ledger.

*Recommendation:*The County should reconcile to supporting documents.

*Response:* The amounts of outstanding taxes will be reflected off of the Triadic system report at the end of every month. There will also be supporting documents such as add/deletes for each month to keep data current.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 7 PURCHASE ORDER APPROVED AFTER PURCHASE

*Condition:* Six out of thirty disbursements tested has purchases made prior to the date of purchase orders being completed. Purchase orders are used to control cash and to authorize the purchase.

*Criteria:* Purchase authorization and budgetary control is acquired through the completion of a purchase order for purchases, which is signed by a person giving authority for the purchase.

*Effect of condition:* Any purchase made without prior authorization has the potential to cause cash deficits and/or over expensing of the budget in the fund in which the purchase is recorded.

*Cause:* Personnel decide that an immediate purchase is needed and circumvent the proper procedure for purchasing.

*Recommendation:* The importance of cash controls and adequate planning need to be made clear to all personnel that will be making purchases for the school.

*Response:* Mora County will ensure that all purchases are approved prior to purchase.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 8 DISBURSEMENTS MADE WITHOUT PURCHASE ORDER

*Condition:*Seven out of thirty disbursements tested did not have purchase orders. Purchase orders are used to control cash and to authorize the purchase.

*Criteria:*Purchase authorization and budgetary control is acquired through the completion of a purchase order for purchases, which is signed by a person giving authority for the purchase.

*Effect of condition:*Any purchase made without prior authorization has the potential to cause cash deficits and/or over expensing of the budget in the fund in which the purchase is recorded.

*Cause:*Personnel decide that an immediate purchase is needed and circumvent the proper procedure for purchasing.

*Recommendation:*The importance of cash controls and adequate planning need to be made clear to all personnel that will be making purchases for the school.

*Response:*Mora County will ensure that all purchases are approved prior to purchase and all purchases will have a purchase order.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 9 PRODUCTS PURCHASED WITHOUT INVOICE

*Condition:* Two out of thirty disbursements tested were paid without a supporting invoice.

*Criteria:* Purchase must be supported by a legitimate invoice that provides the supporting information of the purchase.

*Effect of condition:* Products purchased without an invoice are susceptible to misuse of funds.

*Cause:* Management issued purchase authorizations without supporting documentation for the purchase.

*Recommendation:* All purchases should be supported with a purchase order and invoice appropriately dated.

*Response:* Mora County will ensure that all purchase have the proper documentation.



STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 10 MISSING INFORMATION FROM THE EMPLOYEE FILES

*Condition:* Twenty out of thirty employee files selected for testing had missing or incomplete I-9 forms.

*Criteria:* In accordance with the federal Immigration and Nationality Act Section 274A, employees are required to prove their citizenship or legal immigrant status prior to employment.

*Effect of condition:* The County is out of compliance with requirements for the Immigration and Nationality Act.

*Cause:* The district is not maintaining adequate controls over employee hiring.

*Recommendation:* The County should not employ any individual without prior completion and verification of the Form I-9.

*Response:* I have requested and received the information for the incomplete I-9 form. I will also inspect each personnel file to insure that all I-9 forms are completed in accordance with Federal Law.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010–11 PAYMENT FOR SERVICES NOT RENDERED

*Condition:*One out of thirty payroll tested showed that the hours paid were not in agreement with the employees time sheet.

*Criteria:*The State law 30-23-2 paying and receiving public money for services not rendered.

*Effect of condition:*Payment for services not rendered.

*Cause:*No one footed and cross footed the time sheet before authorization of payment.

*Recommendation:*To implement policies and procedures to ensure payroll hours are properly documented, recorded and paid.

*Response:* Mora County will implement policies and procedures to ensure payroll hours are properly documented and paid.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 12 LACK OF RECEIVING DOCUMENTATION

*Condition:* Purchase receipt is dated February 19, 2010 for Wal-Mart, the reimbursement is dated August 16, 2010 – How do we know that item purchased was for the County?

*Criteria:* In accordance with State Law the County is being obligated to document the receipt of goods.

*Effect of condition:* The County is required to document proper receiving before reimbursement.

*Cause:* The receipt is old, and for an item purchased for several or most homes. No documentation on who else received the item or that it was for the County. No purchase order or requisition before the purchase.

*Recommendation:* The purchase should have a second person showing that they document receiving the item for the County.

*Response:* Mora County will show proper receiving documentation.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 13 LACK OF DOCUMENTATION

*Condition:*No per diem documentation for employee travel.

*Criteria:*Travel must be supported by a legitimate invoice that provides the supporting information of the employee expenses.

*Effect of condition:*Travelpaid without adequate documentation are susceptible to misuse of funds.

*Cause:*Supervisor doesn't believe he should have to document travel.

*Recommendation:* Per Diem documentation should be filled out for all employee travel or no payment should be given for paperwork not filled out.

*Response:* I have implemented a Travel Form to be filled out by anyone who is requesting mileage and per diem. The travel form will be attached to the voucher along with supporting documentation.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 14 MISSUSE OF GOVERNMENT PROPERTY

*Condition:* Vehicle used by employees' personal time outside of the county.

*Criteria:* The State law 30-23-2 paying and receiving public money for services not rendered.

*Effect of condition:* The County was denied use of an asset that it rightfully owns.

*Cause:* County property was used outside of parameter.

*Recommendation:* County needs to implement policy and procedures and levels of control to ensure that it retains rightful ownership of its assets and that the assets are available for use when needed.

*Response:* The County will enforce the policies and procedures set forth by the County, and ensure that its assets are available for County use when needed.

STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010

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B. FINDINGS—FINANCIAL STATEMENTS AUDIT (continued)

2010 – 15 BOARD MEMBER MISSING FROM EXIT CONFERENCE

*Condition:* There was not a member of the Board of Commissioners present at the exit conference for the audit report.

*Criteria:* SAO Rule 2.2.2.10 J states that a member of the governing body shall be present at the exit conference.

*Effect of condition:* Mora County is in violation of SAO Rule 2.2.2.10 J which requires a member of the governing body to be present at the exit conference.

*Cause:* There was not a member of the governing body present at the exit conference.

*Recommendation:* There should be a member of the governing body present at the exit conference.

*Response:* Mora County will ensure that a governing board member is present at any future exit conferences.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM AUDIT

No audit findings to report.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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STATE OF NEW MEXICO  
MORA COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2010

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
 <u>U.S. Department of Agriculture</u>			
Pass-Through Program From:			
Community Facilities Loans and Grants	10.766	N/A	\$ 1,871
Direct Program:			
FEMA	10.444	N/A	129,554
Forest Reserve	10.670	N/A	<u>173,460</u>
Total U.S. Department of Agriculture			<u>304,885</u>
 <u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grant	14.218	N/A	<u>294,898</u>
 U.S. Department of Justice			
Public Safety Partnership and Community Policing Grant	97.036		14,228
 <u>U.S. Department of Homeland Security</u>			
Disaster Grants - Public Assistance	97.036	N/A	<u>87,514</u>
 Total Expenditures of Federal Awards			 <u>\$ 701,525</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

STATE OF NEW MEXICO  
MORA COUNTY

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2010

1. Scope of audit pursuant to OMB Circular A-133

All federal grant operations of Mora County (the “County”) are included in the scope of the Office of management and Budget (“OMB”) Circular A-133 audit (the “Single Audit”). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised June 2010), the “Compliance Supplement”). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for all the grants programs noted below. These programs represent all federal award programs and other grants with fiscal 2010 cash and noncash expenditures to ensure coverage of at least 50% (high-risk auditee) of federally granted funds. Actual coverage is approximately sixty-seven percent (67%) of total cash and noncash federal award program expenditures. There were not any noncash expenditures the County received.

<u>Major Federal Award Program Description</u>	<u>Fiscal 2010 Expenditures</u>
Cash assistance:	
Forest Reserve	\$ 173,460
Community Development Block Grant	294,898
Total	<u>\$ 468,358</u>

The Community Development Block Grant CFDA # 14.218 were determined to be high-risk type A programs for the 2010 audit. The U.S. Department of Agriculture is the County’s oversight agency for the Single Audit.

2. Summary of significant policies

Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards includes all federal grants to the County that had activity during the fiscal year ended June 30, 2010. This schedule has been prepared on the accrual basis except depreciation costs have been deducted and any costs incurred to purchase fixed assets have been added to the balances. Grant revenues are recorded for financial reporting when the County has met the qualifications for the respective grant.

3. Audits performed by other entities

There were no audits performed by other organizations of the County federal grant programs for the year ended June 30, 2010.

## REQUIRED DISCLOSURES

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To The Board of Commissioners of Mora County.

In planning and performing our audit of the financial statements of Mora County as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered Mora County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify deficiencies in internal control that we considered to be material weaknesses.

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. We consider the following deficiencies in Mora County's internal control to be significant deficiencies:

2010 – 6FAILURE TO FOLLOW CHART OF ACCOUNTS (Original Number 2005 – 12)

*Condition:* The County has established a chart of accounts that includes codes for regular expenditures and then codes for expenditures that are considered capital outlays. The distinction between the different types of expenditures are not being recognized and recorded in the appropriate account codes.

*Criteria:* The County needs to follow the chart of accounts that have been established and the standards of recognizing capital expenditures as set forth in 12.6.10 NMAC.

*Effect of condition:* The County is not able to reconcile the amounts recorded in the account codes reserved for capital expenditures of more than \$5,000 to the additions to the inventory of land, buildings, and equipment costing more than \$5,000.

*Cause:* Capital expenditures are not being recognized as being different from other expenditures for supplies and repairs and therefore capital expenditures and other expenditures are being intermixed instead of being recorded in the account codes designated for such expenditures.

*Recommendation:* The County needs to understand the distinction of capital expenditures and record them separate in order to allow for the verification of additions to the inventory of land, buildings, and equipment costing more than \$5,000.

*Response:* The County has become aware of the differences and will begin recording in the expenditures in the appropriate area.

This communication is intended solely for the information and use of management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

September 10, 2010