

State of New Mexico

Sierra County  
**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S  
REPORT THEREON**

For The Fiscal Year Ended June 30, 2013

Sierra County  
**TABLE OF CONTENTS**  
June 30, 2013

	<u>PAGE</u>
<b>INTRODUCTORY SECTION:</b>	
Directory of Officials	1
<b>FINANCIAL SECTION:</b>	
INDEPENDENT AUDITORS' REPORT	2-4
BASIC FINANCIAL STATEMENTS:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Assets	5-6
Statement of Activities	7-8
<i>Fund Financial Statements:</i>	
Balance Sheet--Governmental Funds	9-10
Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities	11
Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds	12-13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Statement of Revenues, Expenditures and Changes in Fund Balances--Budget and Actual (NON-GAAP Budgetary Basis):	
General Fund	15
Road	16
Statement of Net Assets--Proprietary Funds	17
Statement of Revenues, Expenses and Changes in Fund Net Assets--Proprietary Funds	18
Statement of Cash Flows--Proprietary Funds	19
Statement of Fiduciary Net Assets And Liabilities-Agency Funds	20
Notes to Basic Financial Statements	21-39
OTHER SUPPLEMENTARY INFORMATION	
Fund Descriptions	40-42

Combining Balance Sheet--Nonmajor Governmental Funds	43-46
Combining Statement of Revenues, Expenditures and Changes in Fund Balances--Nonmajor Governmental Funds	47-50
Combining Balance Sheet--Rural Fire Departments	51-52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances--Rural Fire Departments	53-54

Statements of revenues, Expenditures and Changes in Fund  
Balances--Budget and Actual (NON-GAAP Budgetary Basis):

Special Revenue Funds:

Farm and Range	55
Recreation	56
911 Addressing	57
Reappraisal	58
Lodgers Tax	59
Med Net EMS	60
Law Enforcement Protection	61
Correction Fees	62
Juvenile Probation	63
Flood Damage	64
Clerk's Equipment Fee	65
Treasurer's Fee	66
County Indigent	67
Winston Fire	68
Lakeshore Fire	69
Monticello Fire	70
Caballo Fire	71
Arrey/Derry Fire	72
Hillsboro Fire	73
Las Palomas Fire	74
Poverty Creek Fire	75
Disaster Assistance	76
Hospital GRT	77
Secure Rural Schools	78
Capital Projects Funds:	
CDBG Capital Projects	79
Sierra Vista Hospital	80
Enterprise Funds:	
Landfill	81

OTHER SUPPLEMENTAL DATA:

Schedule of Changes in Assets and Liabilities--Agency Funds	82-83
Schedule of Depository Collateral	84
Schedule of Individual Deposit Accounts and Investments	85
Schedule of Joint Powers Agreements	86-91
Schedule of Legislative Grants	92
Tax Roll Reconciliation	93

**ADDITIONAL REPORTING REQUIREMENTS:**

Summary Schedule of Prior Audit Findings	94
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	95-96
Schedule of Findings and Responses	97-98

Sierra County  
**Directory of Officials**  
June 30, 2013

**Elected Officials**

Walter C. Armijo

Chairman

Frances Luna

Vice-Chairman

Bobby Allen

Commissioner

**Administrative Staff**

Janet Porter-Carrejo

County Manager

Teresa Ragsdale

Finance Director

MIKE STONE, C.P.A.  
LINDA STONE MCGEE, C.P.A.  
KAY STONE, C.P.A.  
JARROD MASON, C.P.A.  
KELLEY WYATT, C.P.A.

RYAN MONTOYA, C.P.A.

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## INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor  
And  
Board of Commissioners  
Sierra County  
Truth or Consequences, New Mexico

### Report on Financial Statements

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 Sierra County, as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise Sierra County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of Sierra County's nonmajor governmental funds, and the budgetary comparisons for the nonmajor special revenue funds, the capital projects funds, and the enterprise fund presented as other supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud

or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sierra County as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Sierra County as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the nonmajor special revenue funds, the capital projects funds, and the enterprise fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on Sierra County's financial statements that collectively comprise the County's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The schedules presented as other supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental data is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2013, on our consideration of Sierra County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sierra County's internal control over financial reporting and compliance.

*Stone, McGee & Co., CPAs*

Silver City, New Mexico  
November 8, 2013

*Stone, McGee & Co.*  
*Certified Public Accountants*



Sierra County  
**STATEMENT OF NET POSITION**  
June 30, 2013

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Current:			
Cash and investments	\$ 10,056,591	\$ 9,298	\$ 10,065,889
Receivables, net	1,108,613	16,294	1,124,907
Due from other governments	862,601		862,601
Prepaid expenses	<u>110,432</u>		<u>110,432</u>
Total current assets	<u>\$ 12,138,237</u>	<u>\$ 25,592</u>	<u>\$ 12,163,829</u>
Noncurrent assets:			
Loan issue costs	\$ 50,147	\$ -	\$ 50,147
Capital assets, net	<u>18,585,707</u>	<u>82,855</u>	<u>18,668,562</u>
Total noncurrent assets	<u>\$ 18,635,854</u>	<u>\$ 82,855</u>	<u>\$ 18,718,709</u>
Total assets	<u>\$ 30,774,091</u>	<u>\$ 108,447</u>	<u>\$ 30,882,538</u>
<b>LIABILITIES</b>			
Current:			
Accounts payable	\$ 413,670	\$ 2,954	\$ 416,624
Accrued liabilities	196,120	2,236	198,356
Deferred revenue	1,062,544		1,062,544
Current maturities of long-term debt	<u>871,025</u>		<u>871,025</u>
Total current liabilities	<u>\$ 2,543,359</u>	<u>\$ 5,190</u>	<u>\$ 2,548,549</u>
Noncurrent:			
Estimated liability for landfill postclosure costs	\$ -	\$ 680,188	\$ 680,188
Notes payable	10,529,465		10,529,465
Compensated absences	<u>104,171</u>	<u>1,669</u>	<u>105,840</u>
Total noncurrent liabilities	<u>\$ 10,633,636</u>	<u>\$ 681,857</u>	<u>\$ 11,315,493</u>
Total liabilities	<u>\$ 13,176,995</u>	<u>\$ 687,047</u>	<u>\$ 13,864,042</u>

Sierra County  
**STATEMENT OF NET POSITION (concluded)**  
June 30, 2013

<b>NET POSITION</b>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Net investment in capital assets	\$ 11,965,217	\$ 82,855	\$ 12,048,072
Restricted for:			
Capital projects	3,810		3,810
Debt service	362,910		362,910
Other purposes	3,097,169		3,097,169
Unrestricted	<u>2,167,990</u>	<u>(661,455)</u>	<u>1,506,535</u>
 Total net position	 <u>\$ 17,597,096</u>	 <u>\$ (578,600)</u>	 <u>\$ 17,018,496</u>

The accompanying notes are an integral part of these financial statements.

Sierra County  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2013

		Program Revenues	
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions
Governmental activities:			
General government	\$ 3,234,116	\$ 53,710	\$ 278,000
Public safety	3,355,405	298,969	1,569,882
Highways and streets	967,677	8,955	163,675
Health and welfare	1,657,328	52,164	17,398
Culture-recreation	43,644		
Unallocated interest expense	317,791		
	\$ 9,575,961	\$ 413,798	\$ 2,028,955
Business-type activities:			
Landfill	\$ 113,148	\$ 32,663	\$ -
	\$ 113,148	\$ 32,663	\$ -
	\$ 9,689,109	\$ 446,461	\$ 2,028,955
General revenues:			
Property taxes			
Gross receipts taxes			
Motor vehicle taxes			
Gas taxes			
Other taxes			
Payment in lieu of taxes			
Interest and penalties on property taxes			
Interest and investment earnings			
Miscellaneous			
Loss on disposition of assets			
Transfers			
Total general revenues			
Change in net position			
Net position--beginning			
Net position--end of year			

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenue  
and Changes in Net Position

Capital Grants and Contributions	Governmental Activities	Business -Type Activities	Total
\$ -	\$ (2,902,406)	\$ -	\$ (2,902,406)
	(1,486,554)		(1,486,554)
1,837,803	1,042,756		1,042,756
	(1,587,766)		(1,587,766)
	(43,644)		(43,644)
	(317,791)		(317,791)
<u>\$ 1,837,803</u>	<u>\$ (5,295,405)</u>	<u>\$ -</u>	<u>\$ (5,295,405)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (80,485)</u>	<u>\$ (80,485)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (80,485)</u>	<u>\$ (80,485)</u>
<u>\$ 1,837,803</u>	<u>\$ (5,295,405)</u>	<u>\$ (80,485)</u>	<u>\$ (5,375,890)</u>
	\$ 3,927,432	\$ -	\$ 3,927,432
	1,817,574	83,632	1,901,206
	281,311		281,311
	128,577		128,577
	3,214		3,214
	1,037,269		1,037,269
	148,602		148,602
	42,636		42,636
	201,824		201,824
	-		-
	(15,000)	15,000	-
	<u>\$ 7,573,439</u>	<u>\$ 98,632</u>	<u>\$ 7,672,071</u>
	\$ 2,278,034	\$ 18,147	\$ 2,296,181
	<u>15,319,062</u>	<u>(596,747)</u>	<u>14,722,315</u>
	<u>\$ 17,597,096</u>	<u>\$ (578,600)</u>	<u>\$ 17,018,496</u>

Sierra County  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2013

	General Fund	Road	Sierra Vista Hospital	Other Funds
<b>Assets</b>				
Cash and investments	\$ 1,893,408	\$ 493,598	\$ 4,620,000	\$ 3,049,585
Taxes receivable	683,794	44,046		374,610
Interfund receivable	68,052		2,507	
Interest receivable	6,163			
Due from other governments	832,656			29,945
Prepaid expenses	110,432			
<b>Total assets</b>	<b><u>\$ 3,594,505</u></b>	<b><u>\$ 537,644</u></b>	<b><u>\$ 4,622,507</u></b>	<b><u>\$ 3,454,140</u></b>
<b>Liabilities and Fund Balance</b>				
Accounts payable	\$ 133,681	\$ 125,444	\$ -	\$ 154,545
Accrued expenses	126,554	16,059		
Interfund payable	2,507	26,152		41,900
Deferred revenue	2,341,370			210,446
<b>Total liabilities</b>	<b><u>\$ 2,604,112</u></b>	<b><u>\$ 167,655</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 406,891</u></b>
<b>Fund balances:</b>				
<b>Restricted for:</b>				
Capital projects	\$ -	\$ -	\$ 4,622,507	\$ 1,303
Debt service				513,924
Public safety				767,276
Health and welfare				1,068,105
Highways and streets		369,989		436,190
Tax reappraisal				70,258
Equipment purchases				237,798
Culture and recreation				5,375
Unassigned	990,393			(52,980)
<b>Total fund balance</b>	<b><u>\$ 990,393</u></b>	<b><u>\$ 369,989</u></b>	<b><u>\$ 4,622,507</u></b>	<b><u>\$ 3,047,249</u></b>
<b>Total liabilities and fund balance</b>	<b><u>\$ 3,594,505</u></b>	<b><u>\$ 537,644</u></b>	<b><u>\$ 4,622,507</u></b>	<b><u>\$ 3,454,140</u></b>

The accompanying notes are an integral part of these financial statements.

Total  
Governmental  
Funds

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\$ 10,056,591  
1,102,450  
70,559  
6,163  
862,601  
110,432

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\$ 12,208,796

\$ 413,670  
142,613  
70,559  
2,551,816

---

\$ 3,178,658

\$ 4,623,810  
513,924  
767,276  
1,068,105  
806,179  
70,258  
237,798  
5,375  
937,413

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\$ 9,030,138

\$ 12,208,796

Sierra County  
**RECONCILIATION OF TOTAL GOVERNMENTAL  
 FUND BALANCE TO NET POSITION OF  
 GOVERNMENTAL ACTIVITIES**

June 30, 2013

Total governmental fund balances	\$	9,030,138
<i>Amounts reported for governmental activities in the statement of new position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		18,585,707
Loan issue costs are expenditures in the fund statements, but are capitalized and amortized over the life of the loan in the Statement of Net Assets		50,147
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes subject to the 60 day availability period		660,628
Intergovernmental grants subject to the 60 day availability period		828,644
Long-term liabilities are not reported in the funds:		
Notes payable		(11,400,490)
Accrued interest payable		(53,507)
Compensated absences		(104,171)
		(104,171)
<i>Net position of governmental activities</i>	\$	17,597,096

The accompanying notes are an integral part of these financial statements.

Sierra County  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended June 30, 2013

	<u>General Fund</u>	<u>Road</u>	<u>Sierra Vista Hospital</u>	<u>Other Funds</u>
<b>Revenues:</b>				
Property Taxes	\$ 3,122,261	\$ -	\$ -	\$ 1,003,719
Gross Receipts Tax	956,006			861,568
MVD tax	133,516	147,795		
Gas tax		128,577		
Lodgers tax				3,214
Federal intergovernmental				401,291
State intergovernmental	1,758,839	624,427		1,290,826
Charges for services	283,376			124,175
Licenses and permits	6,247			
Miscellaneous	88,593	930	2,507	152,430
<b>Total revenues</b>	<b>\$ 6,348,838</b>	<b>\$ 901,729</b>	<b>\$ 2,507</b>	<b>\$ 3,837,223</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 2,523,037	\$ -	\$ -	\$ 600,904
Public safety	1,819,683			1,058,494
Highways and streets	18,779	633,190		
Health and welfare	125,420			1,435,482
Culture-recreation	19,139			1,050
Capital outlay	1,284,019	452,442		70,553
<b>Debt service:</b>				
Principal	151,946	87,393		367,170
Interest	172,290	33,897		90,822
Loan costs	962		37,387	1,209
<b>Total expenditures</b>	<b>\$ 6,115,275</b>	<b>\$ 1,206,922</b>	<b>\$ 37,387</b>	<b>\$ 3,625,684</b>
Revenues over (under) expenditures	\$ 233,563	\$ (305,193)	\$ (34,880)	\$ 211,539
<b>Other financing sources (uses):</b>				
Transfer in		254,899		909,688
Transfer out	(780,644)			(398,943)
Loan proceeds	65,153		4,657,387	488,823
<b>Net change in fund balance</b>	<b>\$ (481,928)</b>	<b>\$ (50,294)</b>	<b>\$ 4,622,507</b>	<b>\$ 1,211,107</b>
Fund balance July 1, 2012	\$ 1,472,321	\$ 420,283	\$ -	\$ 1,836,142
Fund balance June 30, 2013	<u>\$ 990,393</u>	<u>\$ 369,989</u>	<u>\$ 4,622,507</u>	<u>\$ 3,047,249</u>

The accompanying notes are an integral part of these financial statements.



Total  
Governmental  
Funds

---

\$ 4,125,980  
1,817,574  
281,311  
128,577  
3,214  
401,291  
3,674,092  
407,551  
6,247  
244,460

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\$ 11,090,297

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\$ 3,123,941  
2,878,177  
651,969  
1,560,902  
20,189  
1,807,014  
  
606,509  
297,009  
39,558

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10,985,268

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\$ 105,029

1,164,587  
(1,179,587)  
5,211,363

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\$ 5,301,392

\$ 3,728,746

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\$ 9,030,138

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Sierra County  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND TO THE  
 STATEMENT OF ACTIVITIES**

June 30, 2013

Net change in fund balances-total governmental funds \$ 5,301,392

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

Governmental funds report capital outlay as expenditures. However, in the  
 Statement of Activities, the cost of those assets is allocated over their  
 estimated lives as depreciation expense.

Capital outlay	1,807,014
Depreciation expense	(1,042,445)

Revenues in the Statement of Activities that do not provide current financial  
 resources are not reported as revenues in the funds. This is the net  
 change for the year.

Property taxes subject to the 60 day availability period	(49,946)
Intergovernmental grants subject to the 60 day availability period	828,644

Bond and loan proceeds are reported as financing sources in the funds, In the Statement  
 of Activities, however, issuing debt increased long term liabilities (5,211,363)

Repayment of debt is an expenditure in the governmental funds, but the  
 repayment reduces long-term liabilities in the Statement of Net Assets.

Notes payable	606,509
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Loan issue costs are other financing uses in the fund statements, but are capitalized  
 and amortized over the life of the loan in the Statement of Net Assets. This  
 is the net change during the year. 34,929

In the Statement of Activities, interest is accrued on outstanding bonds,  
 whereas in governmental funds, an interest expenditure is reported when  
 due. This is the net change during the year. (16,153)

Some expenses reported in the Statement of Activities, such as compensated  
 absences, do not require the use of current financial resources and therefore  
 are not reported as expenditures in the funds. This is the net change during  
 the year. 19,453

<i>Change in Net Position of Governmental Activities</i>	<b>\$ 2,278,034</b>
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The accompanying notes are an integral part of these financial statements.

Sierra County  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

For the Fiscal Year Ended June 30, 2013

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Property taxes	\$ 3,138,847	\$ 3,138,847	\$ 3,122,438	\$ (16,409)
Taxes GRT	985,411	985,411	966,673	(18,738)
MVD taxes	135,000	135,000	133,543	(1,457)
Licenses and permits	4,500	4,500	6,247	1,747
Intergovernmental	2,596,757	2,596,757	2,719,325	122,568
Charges for services	292,049	292,049	283,376	(8,673)
Miscellaneous	234,271	234,271	86,922	(147,349)
Total revenues	\$ 7,386,835	\$ 7,386,835	\$ 7,318,524	\$ (68,311)
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 1,993,103	\$ 2,017,274	\$ 2,671,542	\$ (654,268)
Public safety	2,868,177	2,868,177	1,816,884	1,051,293
Health and welfare	88,400	88,400	71,027	17,373
Public works	20,000	20,000	18,779	1,221
Culture - recreation	60,307	60,307	19,139	41,168
Capital outlay	1,970,371	1,903,981	1,326,363	577,618
Total expenditures	\$ 7,000,358	\$ 6,958,139	\$ 5,923,734	\$ 1,034,405
Revenues over (under) expenditures	\$ 386,477	\$ 428,696	\$ 1,394,790	\$ 966,094
<b>Other financing sources (uses):</b>				
Transfers in	963,900	963,900	936,734	(27,166)
Transfers out	(1,523,594)	(1,523,594)	(1,847,347)	(323,753)
Loan proceeds	-	-	-	-
Net change in fund balance after other financing sources (uses)	\$ (173,217)	\$ (130,998)	\$ 484,177	\$ 615,175
Fund balance July 1, 2012	1,430,527	1,430,527	1,059,818	(370,709)
Fund balance June 30, 2013	\$ 1,257,310	\$ 1,299,529	\$ 1,543,995	\$ 244,466
<b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis			\$ (481,928)	
Revenue accruals (net)			969,686	
Expenditure accruals (net)			191,541	
Other financing sources (net)			(195,122)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 484,177	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**ROAD FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Gas tax	\$ 150,000	\$ 150,000	\$ 132,795	\$ (17,205)
MVD tax	150,000	150,000	146,699	(3,301)
Intergovernmental	670,017	670,017	624,427	(45,590)
Charges for services				-
Miscellaneous			930	930
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>\$ 970,017</u>	<u>\$ 970,017</u>	<u>\$ 904,851</u>	<u>\$ (65,166)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Highways and streets	\$ 565,027	\$ 565,227	\$ 535,616	\$ 29,611
Capital outlay	570,017	650,355	576,005	74,350
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$ 1,135,044</u>	<u>\$ 1,215,582</u>	<u>\$ 1,111,621</u>	<u>\$ 103,961</u>
Revenues over (under) expenditures	\$ (165,027)	\$ (245,565)	\$ (206,770)	\$ 38,795
<b>Other financing sources (uses):</b>				
Transfers in	190,000	190,000	357,180	167,180
Transfers out			(102,281)	(102,281)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net change in fund balance after other financing sources (uses)	\$ 24,973	\$ (55,565)	\$ 48,129	\$ 103,694
Fund balance July 1, 2012	<u>445,469</u>	<u>445,469</u>	<u>445,469</u>	<u>-</u>
Fund balance June 30, 2013	<u>\$ 470,442</u>	<u>\$ 389,904</u>	<u>\$ 493,598</u>	<u>\$ 103,694</u>
<b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis			\$ (50,294)	
Revenue accruals (net)			3,122	
Expenditure accruals (net)			95,301	
Other financing sources (net)			<u>          </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 48,129</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2013

<b>Assets</b>	<u>Landfill</u>
Current:	
Cash	\$ 9,298
Due from other governments	
Accounts receivable	3,112
Taxes receivable	<u>13,182</u>
Total current assets	<u>\$ 25,592</u>
Noncurrent:	
Property, plant and equipment	\$ 342,634
Less accumulated depreciation	<u>(259,779)</u>
Net capital assets	<u>\$ 82,855</u>
Total assets	<u>\$ 108,447</u>
 <b>Liabilities</b>	
Current:	
Accounts payable	\$ 2,954
Interfund payable	
Accrued expenses	<u>2,236</u>
Total current liabilities	<u>\$ 5,190</u>
Noncurrent:	
Estimated liability for landfill postclosure costs	\$ 680,188
Compensated absences	<u>1,669</u>
Total non-current liabilities	<u>\$ 681,857</u>
Total liabilities	<u>\$ 687,047</u>
 <b>Net Position</b>	
Net investment in capital assets	\$ 82,855
Unrestricted	<u>(661,455)</u>
Total net position	<u><u>\$ (578,600)</u></u>

The accompanying notes are an integral part of these financial statements.

Sierra County  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For the Fiscal Year Ended June 30, 2013

	Landfill
Operating revenues:	
Charges for services	32,663
Total operating revenues	\$ 32,663
Operating expenses:	
Personnel	\$ 58,286
Operating	49,876
Depreciation	4,986
Total operating expenses	\$ 113,148
Operating income (loss)	\$ (80,485)
Non-operating revenue (expense):	
Taxes GRT	\$ 83,632
Intergovernmental grants	
Miscellaneous	
Total nonoperating revenue (expense)	\$ 83,632
Income (loss) before transfers	\$ 3,147
Other:	
Transfer in	15,000
Transfer out	-
Change in net position	\$ 18,147
Net position, beginning of year	(596,747)
Net position, end of year	\$ (578,600)

The accompanying notes are an integral part of these financial statements.

Sierra County  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
For the Fiscal Year Ended June 30, 2013

	Landfill
Cash flows from operating activities:	
Receipts from customers	\$ 29,705
Payments to suppliers	(59,167)
Payments to employees	(59,379)
	(88,841)
Net cash provided (used) by operating activities	\$ (88,841)
Cash flows from noncapital financing activities:	
Dedicated gross receipts	\$ 82,255
Intergovernmental grants	
Miscellaneous revenues	
Transfers from other funds	15,000
	97,255
Net cash provided (used) by noncapital financing activities	\$ 97,255
Cash flows from capital and related financing activities:	
Purchase of capital assets	\$ -
	-
Net increase (decrease) in cash	\$ 8,414
Cash, beginning of year	884
	884
Cash, end of year	\$ 9,298
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (80,485)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	4,986
Changes in assets and liabilities:	
Accounts receivable	(2,958)
Accounts payable	(4,836)
Compensated absences payable	(57)
Estimated landfill closure costs	(4,455)
Accrued expenses	(1,036)
	(13,332)
Net cash provided (used) by operating activities	\$ (88,841)

The accompanying notes are an integral part of these financial statements.

Sierra County  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
June 30, 2013

**Assets**

Cash and investments	\$ 136,900
Receivables	<u>670,405</u>
Total assets	<u><u>\$ 807,305</u></u>

**Liabilities**

Due to others	<u>\$ 807,305</u>
Total liabilities	<u><u>\$ 807,305</u></u>

The accompanying notes are an integral part of these financial statements.



Sierra County  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2013

Note 1      Summary of Significant Accounting Policies

**A. GENERAL**

The County of Sierra, a political subdivision of the State of New Mexico, operates under the commissioner-manager form of government. The County provides the following authorized services: public safety, highways and streets, sanitation, health and welfare, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for State and Local Governments, through its pronouncements (Statements and Interpretations). The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

**B. FINANCIAL REPORTING ENTITY**

The County's basic financial statements include the accounts of all County operations. The criteria for include organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Based on the aforementioned criteria, the County has no component units.

**C. BASIS OF PRESENTATION**

*Governmental-wide Financial Statements*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are not allocated, but are presented as separate functions. Program revenues include charges paid by recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which a program or business segment is self-financing or draws from the general revenues of the County.

### *Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category of type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

### **Governmental Funds**

#### *General Fund*

The General Fund is the primary operating fund of the County and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

#### *Special Revenue Funds*

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

#### *Capital Project Fund*

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items.

### *Debt Service Fund*

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general obligation bonds of the County other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the County's general obligation bonds.

### **Proprietary Fund**

#### *Enterprise Fund*

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

### **Fiduciary Funds (Note included in government-wide statements)**

#### *Agency Funds*

Agency funds account for assets held by the County in a purely custodial capacity. The reporting entity includes four agency funds. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The Agency funds area follows:

Property Tax Fund – to account for the undistributed property taxes both received and yet to be received which are to be distributed to the various taxing entities at a later date.

Prisoners Fund – to account for the deposits and expenditures from prisoners' private funds, used to buy personal items at the commissary.

Cell Phone Zoning – to account for the deposits required on cell phone towers, to be used for repairs.

Spaceport – to account for gross receipts taxes collected and remitted to the Spaceport authority.

#### *Major Funds*

These funds classified as major are as follows:

General – accounts for all activities except those accounted for in other funds.

Road – accounts for funds provided to account for the activities associated with the maintenance of County roads, and is a Special Revenue Fund. Authorization is New Mexico Department of Finance and Administration.

Sierra Vista Hospital – to account for the revenues and expenditures associated with the renovation and new construction at the County hospital, and is a Capital Project Fund. Authorization is ordinance authorizing the loan and construction.

Proprietary:

Landfill – accounts for activities associated with refuse disposal.

#### *Non-major Funds*

Fund description for all funds are included in the “Other Supplementary Information” section of this report.

### **D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

#### **Measurement Focus**

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item “b” below:

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from non-exchange transactions are recognized when the earnings process is complete. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

#### **Basis of Accounting**

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred inflow of resources, liabilities and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Derived tax revenues are recognized when the exchange takes place, and grants are recognized when all eligibility requirements are met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Revenues that are not available are recorded as deferred revenue. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported when due.

All proprietary funds and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

## **E. BUDGETS**

Budgets for the General, Special Revenue, Debt Service, Capital Projects, and Enterprise Funds are prepared by management and approved by the local governing body and the New Mexico Department of Finance and Administration.

These budgets are prepared on the NON-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget on a by fund basis. Budgets may be amended in two ways. If a budget transfer is necessary within a fund, this may be accomplished with only local Commission approval. If a transfer between “funds” or a budget increase is required, approval must also be obtained from the Department of Finance and Administration.

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

## **F. CASH AND INVESTMENTS**

For the purpose of the Statement of Net Position, “cash and investments” includes all demand, savings accounts, and certificates of deposits of the County. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of six months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price.

State statutes authorize the government to invest in interest bearing accounts with local financial institutions, direct obligations of the U.S. Treasury or New Mexico political subdivisions, and the State Treasurer’s investment pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owner of such public monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in

safekeeping by other financial institutions, with safekeeping receipts held by the County. The pledged securities remain in the name of the financial institution. Premiums (discounts) on investments are amortized by the interest method, or methods approximating the interest method.

#### **G. INTERFUND RECEIVABLES AND PAYABLES**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term inter-fund loans are reported as “inter-fund receivables or payables”. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

#### **H. RECEIVABLES**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and periodic aging of accounts receivable. Major receivable balances for the governmental activities include gross receipts and use taxes, franchise taxes, and grants. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as gross receipts tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

#### **I. CAPITAL ASSETS**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

##### *Government-wide Statements*

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

The County has retroactively reported all infrastructure assets. The County has always maintained a capitalization policy which included infrastructure assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- Buildings 25-50 years
- Improvements 10-50 years
- Machinery and Equipment 03-10 years
- Infrastructure 25-75 years
- Software and Library 5-10 years

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements. Assets acquired with an original cost of \$5,000 or more are capitalized. Construction period interest is capitalized in proprietary funds.

**J. LONG-TERM DEBT**

The accounting treatment of long-term debt depends on whether the assets acquired with the debt are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

**K. COMPENSATED ABSENCES**

The County’s policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

## L. EQUITY CLASSIFICATIONS

### *Government-wide Statements*

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

- a. Net investment in capital assets, net of related debt – 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.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

### *Fund Statements*

During the year ended June 30, 2011, the County implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the government itself, using its highest level of decision-making authority, to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change its constraints.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the government body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by adoption of a resolution or a vote of the Board. This is typically done through the adoption and amendment of the budget. Assigned fund balance is established by the Board of Commissioners through adoption or amendment of the budget as intended for a specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).



## M. REVENUES, EXPENDITURES, AND EXPENSES

### *Gross Receipts Tax*

The County levies a gross receipts tax on taxable gross receipts within the County. The rate includes both County and State assessments. The tax is collected by the New Mexico Taxation and Revenue Department and remitted to the County in the month following receipt by the Department. The Department receives the tax one month after collection by vendors. Included in this tax is amounts dedicated to intercept agreements, and those dedicated amounts are recorded directly in those funds.

Gross receipts tax collected by the State in June and July (which represent May and June transactions) and received by the County in July and August have been accrued and are included under the caption "Taxes Receivable".

### *Property Tax*

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10 and April 10 of the subsequent year and become delinquent 30 days later. Taxes are collected on behalf of the County by the County Treasurer, and are remitted to the County in the month following collection. Because the Treasurer of the County in which the county is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable county to the County.

The County is permitted to levy taxes for general operating purposes based on a state formula, per \$1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the County is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the County. The County's total tax rate to finance general government services for the year ended June 30, 2013 was \$11.850 per \$1,000 for non-residential property and \$9.233 for residential property. The County's tax rate for debt service was \$.00 per \$1,000 for both residential and nonresidential property.

Property tax receivables are recognized net of estimated refunds and uncollectible amounts in the period for which the taxes are levied, even if they are not available. Property taxes not collected within 60 days of year-end are reported as deferred revenue in the fund statements.

### *Operating Revenues and Expenses*

Operating revenue of governmental funds includes fees to users and license fees. Operating grants include operating-specific and discretionary grants while capital grants reflect capital-specific appropriations.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also

includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

*Expenditures/Expenses*

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Fund – By Character: Current (further classified by function)  
Debt Service  
Capital Outlay  
Proprietary Fund – By Operating and Non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The County does not allocate indirect costs.

**N. INTER-FUND TRANSFERS**

Permanent reallocation of resources between funds of the reporting entity are classified as inter-fund transfers. For the purposes of the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

**O. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the Governments deposits may not be returned to it. The County does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2013, \$1,299,290 of the County's bank balance of \$4,467,975 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 1,299,290</u>
--------------------------------	---------------------

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Deposits by custodial risk category:		
Insured	\$ 579,950	\$ 579,950
Collateral held by the pledging bank's agent in the County's name	2,588,735	2,588,735
Uninsured and uncollateralized	<u>1,299,290</u>	<u>900,982</u>
	<u>\$ 4,467,975</u>	<u>\$ 4,069,667</u>

The County does not have a risk policy beyond that required by State Statute.

The cash on deposit with NMFA is, in effect, loan proceeds or payments made by the County but not yet disbursed. Such deposits are subject to the collateral requirements of NMFA. Such deposits total \$1,065,237.

The County invests in the State Treasurer Local Governmental Investment Pool, a New Mexico sponsored investment alternative.

The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer, with the advice and consent of the State Board of Finance, is authorized to invest money held in the short-term investment fund in accordance with Sections 6-10-10-10P and Sections 6-10-10.1 A and E, NMSA 1978. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments.

The pool does not have unit shares. Per Section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts fund were invested.

Investments are valued at fair value based on quoted market prices as of the valuation date.

Participation in the pool is voluntary. The County has \$4,602,507 on deposit in the pool at June 30, 2013, which is AAAM rated with a weighted average maturity of 59 days.

Note 3 Investments

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

<u>Investment Type</u>	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Weighted Average Maturity</u>
Government GNMA	\$ 235,042	\$ 210,819	\$ 280
FFCB	75,022	73,270	55
FNMA Step Coupon	174,357	171,045	57
U.S. Government Money Market	<u>9,884</u>	<u>9,884</u>	<u>N/A</u>
	<u>\$ 494,305</u>	<u>\$ 465,018</u>	<u>\$ _____</u>
Portfolio weighted average maturity (months)			<u>\$ 156.55</u>

*Interest Rate Risk* – The County invests in government securities with lower interest rate fluctuations as a means of managing its interest rate risk.

*Credit Risk* – The County invests only in direct obligations of the United States, or securities backed by the United States, and is not subject to credit risk.

*Concentration of Credit Risk* – The County places no limits on the amount it may invest in any one issuer. The County currently has 45% invested in GNMA Securities, U.S. Government Money Market, 2%, FFCB and FNMA Securities, 53%.

*Custodial Credit Risk* – The County is not subject to custodial credit risk for its investments, since all are held in the name of the County.

Note 4 Receivables

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Accounts receivable:		
Services (net)	\$ -0-	\$ 3,112
Property taxes	\$ 698,068	\$
Gross receipts tax	336,956	13,182
Motor Vehicle Taxes	50,122	
Gas Tax	17,304	
Cigarette tax	-0-	
Lodgers Tax	<u>-0-</u>	
Total taxes receivable	<u>\$1,102,450</u>	<u>\$ 13,182</u>
Interest receivable	<u>\$ 6,163</u>	<u>\$ -0-</u>
Total	<u>\$1,108,613</u>	<u>\$ 16,294</u>

The County believes all receivables are collectible, therefore, no allowance for doubtful accounts has been established.

Note 5 Capital Assets

Capital asset activity for the year ended June 30, 2013, was as follows:

	<u>Balance July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2013</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land and land improvements	\$ 1,311,730	\$	\$	\$ 1,311,730
Construction in progress	<u>982,814</u>	<u>1,284,096</u>	<u>2,195,654</u>	<u>71,256</u>

Total capital assets not being depreciated	<u>\$ 2,294,544</u>	<u>\$ 1,284,096</u>	<u>\$ 2,195,654</u>	<u>\$ 1,382,986</u>
Capital assets being depreciated:				
Road network, levies and bridges	\$ 17,621,021	\$ 452,442	\$	\$18,073,463
Buildings and improvements	15,705,784	1,060,977		16,766,761
Equipment/vehicles/machinery	<u>6,678,761</u>	<u>1,205,153</u>		<u>7,883,914</u>
Total capital assets being depreciated	<u>\$40,005,566</u>	<u>\$ 2,718,572</u>	<u>\$ -0-</u>	<u>\$42,724,138</u>
Less accumulated depreciation for:				
Road network/levies/bridges	\$13,314,942	\$ 8,551	\$	\$13,323,493
Buildings and improvements	6,653,635	326,915		6,980,550
Equipment/vehicles/machinery	<u>4,510,395</u>	<u>706,979</u>		<u>5,217,374</u>
Total accumulated depreciation	<u>\$24,478,972</u>	<u>\$ 1,042,445</u>	<u>\$ -0-</u>	<u>\$25,521,417</u>
Total capital assets being depreciated, net	<u>\$15,526,594</u>	<u>\$ 1,676,127</u>	<u>\$ -0-</u>	<u>\$17,202,721</u>
Governmental activity, capital assets, net	<u>\$17,821,138</u>	<u>\$,2,960,223</u>	<u>\$ 2,195,654</u>	<u>\$18,585,707</u>
<b>Other business-type activity programs:</b>				
	Balance			Balance
	<u>July 1, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2013</u>
Capital assets not being depreciated:				
Land and land improvements	\$ 3,975	\$ -0-	\$ -0-	\$ 3,975
Total capital assets not being depreciated	<u>\$ 3,975</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 3,975</u>
Capital assets being depreciated:				
Equipment/vehicles/machinery	\$ 338,659	\$ -0-	\$ -0-	\$ 338,659
Total capital assets being depreciated	<u>\$ 338,659</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 338,659</u>
Less accumulated depreciation:				
Equipment/vehicles/machinery	\$ 254,793	\$ 4,986	\$ -0-	\$ 259,779
Total accumulated depreciation	<u>\$ 254,793</u>	<u>\$ 4,986</u>	<u>\$ -0-</u>	<u>\$ 259,779</u>
Total capital assets being depreciated, net	<u>\$ 83,866</u>	<u>\$ (4,986)</u>	<u>\$ -0-</u>	<u>\$ 78,880</u>
Other business-type activity Programs capital assets, net	<u>\$ 87,841</u>	<u>\$ (4,986)</u>	<u>\$ -0-</u>	<u>\$ 82,855</u>

Depreciation was charged to the Governmental Activities as follows:

General Government	\$ 114,669
Public Safety	482,131
Highways and Streets	325,764
Health and welfare	96,426
Culture-recreation	<u>23,455</u>
	<u>\$ 1,042,445</u>

Note 6 Landfill Post-closure Costs

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

Estimated closure and post-closure costs	<u>\$ 772,860</u>
Landfill capacity utilized	100%
Closure costs recognized to date	\$ 772,860
Cost incurred to date	<u>(92,672)</u>
Remaining post-closure liability	<u>\$ 680,188</u>

The County is currently seeking approval of an expansion of the landfill, which would include the acquisition of land owned by the Bureau of Land Management. The landfill capacity utilized has been estimated without the planned expansion.

Note 7 Accrued Expenses

At June 30, 2013, accrued expenses consisted of the following:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Accruals payroll and benefits	\$ 142,613	\$ 2,236
Accrue interest payable	<u>53,507</u>	<u>          </u>
	<u>\$ 196,120</u>	<u>\$ 2,236</u>

Note 8 Long-Term Debt

Changes in governmental funds long-term debt is as follows:

	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2013</u>	Due Within <u>One Year</u>
Notes payable	\$6,038,424	\$5,211,363	\$ 519,116	\$10,730,671	\$ 498,038
Capital leases	<u>757,212</u>	<u>-0-</u>	<u>87,393</u>	<u>669,819</u>	<u>394,735</u>
	<u>\$6,795,636</u>	<u>\$5,211,363</u>	<u>\$ 606,509</u>	<u>\$11,400,490</u>	<u>\$ 892,773</u>

The County has entered into capital leases, primarily for road fund equipment. The economic substance of the leases is that the County is financing the acquisition of the equipment and, accordingly, they are recorded in the County's assets and liabilities. The obligations under the leases have been recorded in the accompanying financial statements at the present value of the future minimum lease payments, discounted at interest rates ranging from 4.4% to 5.3%. Payments under the leases are made from Road Fund General Operations. Equipment acquired under the lease has a book value of \$965,399.

The following is the schedule of future minimum lease payments required under the leases together with their present value at June 30, 2013:

Due in year ending:	
2014	\$ 394,735
2015	267,035
2016	20,979
2017	<u>13,986</u>
	\$ 696,735
Less amounts representing imputed interest	<u>(26,916)</u>
Present value of future lease payments	<u>\$ 669,819</u>

Sierra County has entered into several financing arrangements to purchase equipment and real property. The following are a synopsis of those loans.

*Fire Department Loans* – These loans are for equipment and real property. The loans are secured by the State Fire Allotments. The revenues pledged totaled \$1,960,920 at June 30, 2013, which is 36% of the future state fire allotments at their current rate. Interest rates range from 0% to 5.28% for individually scheduled retirements, and maturity dates range from 2016 through 2031. During the year ended June 30, 2013, the County recognized \$431,207 in pledged revenues, and retired \$143,501 in loan principal and interest.

*Courthouse Renovations* – These loans are for renovations to the courthouse and detention center. The loans are secured by gross receipts taxes. The revenues pledged totaled \$6,321,455 at June 30, 2013, which is 26% of gross receipts taxes at their current rate. Interest rates range from 0% to 4.10% for individually scheduled retirements, and maturity rates range from 2015-2032. During the year ended June 30, 2013, the County

recognized \$771,817 in pledged revenues, and retired \$324,236 in loan principal and interest.

*Hospital Renovations* – This loan is for renovations to the Hospital, which is jointly owned by the City of Truth or Consequences and the County, and is to be repaid with gross receipts taxes dedicated to the retirement. The revenues pledged totaled \$6,089,925 at June 30, 2013, which is 69% of the future gross receipts tax at their current rate. Interest rates range from .28% to 3.35% for individually scheduled retirements, and the maturity date is 2032. During the year ended June 30, 2013, the County recognized \$470,523 in pledged revenues, and retired \$308,482 in loan principal and interest.

*Detention Center Renovations* – This loan is for renovations to the Detention Center, and is to be repaid from correction fees. The revenues pledged totaled \$48,628 at June 30, 2013, which is 7% of the future correction fees at their current rate. The interest rate is 0%, and the maturity date is 2021. During the year ended June 30 2013, the County recognized \$87,912 in pledged revenues, and retired \$6,010 in loan principal.

Certain of these loans have covenants and restrictions related to pledged revenues and reserve balance requirements. The County is in compliance with these provisions at June 30, 2013.

The annual principal payment requirements for notes outstanding as of June 30, 2013, in the general long-term account group, are summarized as follows:

	<u>Principal Payment</u>	<u>Interest Payment</u>
2014	\$ 498,038	\$ 312,960
2015	507,078	312,424
2016	519,147	299,906
2017	522,905	289,926
2018	515,887	279,323
2019-2023	2,691,872	1,195,115
2024-2028	2,939,610	769,701
2029-2033	<u>2,536,134</u>	<u>230,902</u>
	<u>\$10,730,671</u>	<u>\$3,690,257</u>

Compensated absences in governmental funds were as follows:

	<u>Balance July 1, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2013</u>	<u>Due in One Year</u>
Compensated absences	\$ 123,624	\$ 132,322	\$ (151,775)	\$ 104,171	\$ -0-

Changes in Proprietary Funds Long-Term Debt were as follows during the year ended June 30, 2013:

	<u>Balance July 1, 2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2013</u>	<u>Due in One Year</u>
Compensated absences	\$ 1,726	\$ 1,851	\$ (1,908)	\$ 1,669	\$ -0-



All compensated absences are considered non-current. Compensated absences are paid out of the fund that salaries for the respective employee are paid out of provided there are funds available. Otherwise, they are paid out of the general fund.

Note 9 Pension Plan – Public Employees Retirement Association

*Plan Description*

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

*Funding Policy*

Plan members are required to contribute 9.15% to 12.35%, 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. Sierra County is required to contribute 9.15% to 18.5% of the gross covered salary. The contribution requirements of plan members and the County of Sierra are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The County of Sierra's contributions to PERA for the fiscal years ending June 30, 2013, 2012, and 2011 were \$272,086, \$269,758, and \$263,320 respectively, which equal the amount of the required contributions for each fiscal year.

Note 10 Retiree Health Care Act Contributions

The County does not participate in the Retiree Health Care Act.

Note 11 Contingent Liabilities

Amounts received or receivable from grantor 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 which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Note 12 Future Commitments

The County has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal and state agencies, constitute future commitments, and approximate \$4,700,000 at June 30, 2013.

Note 13 Risk Management

The County is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other agencies in the State and obtained insurance through the New Mexico Self Insurers Fund, a public risk pool currently operating as a common risk management and insurance program for local governments. The County pays an annual premium to New Mexico Self Insurers Fund for its general insurance coverage.

Note 14 Fund Balance Deficits

The County had fund balance deficits in the following funds:

Landfill (\$578,600), Juvenile Probation (\$11,407), Corrections (\$29,100), and Disaster Assistance, \$(12,473)). These deficits are caused by the accrual of accounts payable, and the modified accrual basis limitation of 60 days on the accrual of revenue. As revenue is received and liabilities liquidated, the deficit fund balance will be reduced.

Note 15 Inter-fund Activity

Inter-fund balances at June 30, 2013, consisted of the following:

	<u>Inter-Fund Payable</u>			
	<u>General</u>	<u>Road</u>	<u>Other Funds</u>	<u>Total</u>
<u>Inter-Fund Receivable</u>				
General Fund	\$	\$ 26,152	\$ 41,900	\$ 68,052
Sierra Vista Hospital	<u>2,507</u>	<u>          </u>	<u>          </u>	<u>2,507</u>
	<u>\$ 2,507</u>	<u>\$ 26,152</u>	<u>\$ 41,900</u>	<u>\$ 70,559</u>

These amounts are expected to be repaid within one year, and the advances were made to meet operating expenses.

Inter-fund transfers were as follows during the year ended June 30, 2013:

	<u>Transfers From</u>		
<u>Transfers To</u>	<u>General</u>	<u>Other Funds</u>	<u>Total</u>
Road	\$ 254,899	\$	\$ 254,899
Other Funds	510,745	398,943	909,688
Proprietary	<u>15,000</u>	<u>          </u>	<u>15,000</u>
	<u>\$ 780,644</u>	<u>\$ 398,943</u>	<u>\$ 1,179,587</u>

The transfers were made to fund debt service payments, fund construction projects and provide operating funds.

Note 16 Restricted Net Position

Net position restricted for other purposes consist of special revenue fund balances which are restricted by legislation to specific purposes. The restricting legislation is listed in the fund descriptions appearing at the beginning of Other Supplementary Information. Major restrictions are as follows:

Flood Damage	\$ 630,670
Road Fund	369,989
Hospital GRT Fund	125,612
County Indigent Fund	311,823
Rural Fire Departments	901,495
Other	<u>757,580</u>
	<u>\$ 3,097,169</u>

The County reports \$3,463,889 in restricted assets, of which \$3,463,889 is restricted by enabling legislation.

Note 17 Evaluation of Subsequent Events

The County has evaluated subsequent events through November 8, 2013, the date which the financial statements were available to be issued.

## SIERRA COUNTY

### Special Revenue Funds

Farm and Range Fund – to account for the operations of farm and range activities, including soil and water conservation, rodent and predatory animal control, poisonous and noxious weed control, and livestock parasite control. Financing is primarily from state-shared revenues through the Taylor Grazing Act. Authority is NMSA 6-11-6.

Recreation Fund – to account for the operations and maintenance of County-owned recreation facilities. Financing is provided by the County's share of cigarette tax. State law requires the use of these cigarette taxes to be used for recreation purposes. The authority to create this fund was given by New Mexico Statute 7-12-15.

County Indigent Fund – to account for expenditures incurred in providing services for the care of indigent. Financing is provided by the County's share of gross receipts tax and may be used for that purpose. Authority NMSA 24-10A-1.

Treasurers Fee – to account for the fees collected by the County Treasurer to be used exclusively for the purchase of capital assets for the Treasurer's Office, as authorized by commission action and New Mexico Statutes.

Hospital GRT – to account for funds provided by New Mexico Emergency County Hospital gross receipts tax. The Authority is a local ordinance to assess the gross receipts tax.

Enhanced 911 Addressing Grant Fund – to account for funds provided by the State of New Mexico under the Enhanced 911 Act (NMSA 1978 Sections 63-9D-1). To be used to improve the physical addressing and provide faster responses in case of emergency.

County Reappraisal Fund – to account for the operations of a fund to help with reappraisal of County property to ensure valuation reflects current fair market value. Financing is provided by retainage of 1% of tax collections. Authority NMSA 7-38-38-1.

Lodgers' Tax – to account for collections of a lodgers' tax, the proceeds of which are used for advertisement of local attractions. Authority NMSA 3-38-13 to 3-38-24.

Mednet Emergency Medical Services – to account for revenues, grants received, and expenditures incurred in providing emergency medical services to County residents. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Services Bureau. Authority is NMSA 24-10A-1 to 24-10A-10.

Law Enforcement Protection – to account for the operations of a grant from the State of New Mexico through Law Enforcement Protection Fund Act for the purpose of maintenance and improvement of law enforcement equipment, and may be used only for that purpose. Authority is NMSA 23-13-1.

Correction Fees – to account for fees assessed for the housing of prisoners and is used for maintenance of the County jail. Authorization is New Mexico Department of Finance and Administration.

Juvenile Probation – to account for the resources to be utilized to enhance juvenile probation. Authority is the County Commission.

Clerk Equipment Fee Fund – to account for fees collected by the County Clerk to be used exclusively for the purchase of capital assets for the Clerk’s Office, as authorized by the New Mexico State Statutes (NMSA 14-8-12.2B).

Flood Damage – to account for taxes levied on property in Sierra County to establish the Office of County Flood Commissioner as authorized in Section 4-50-1 NMSA 1978 and County Resolution 88-069.

Fire Departments - to account for grants received and expenditures incurred in providing fire protection to residents. Financing is provided from the County’s share of fire allotment issued by the State Fire Marshall under NMSA 59-53-1. Such revenue provides for payment of all current operating costs and may be used only for that purpose. Expenditures related to emergency medical services, funded in part by state grants under the Authority of NMSA 24-10A-1 to 24-10A-10 are accounted for in the individual fire funds.

Section 12-10-5 Local Civil Emergency Preparedness (Disaster Assistance) – The governing bodies of political subdivisions of the State are responsible for the civil emergency preparedness of their respective jurisdictions. Each political subdivision is authorized to establish, by ordinance or resolution, a local office of civil emergency preparedness as an agency of the local government, and responsible to the governing body, in accordance with the state civil emergency preparedness plan and program. The governing body, subject to approval of the state director, shall appoint every local coordinator of civil emergency preparedness and such local coordinator shall have direct responsibility for carrying out the civil emergency preparedness programs of the political subdivision. He shall coordinate the civil emergency preparedness activities of all local government department and agencies, and shall maintain liaison with and cooperate with civil preparedness agencies and organizations of other political subdivisions and of the state government. Each local organization shall perform civil preparedness functions within territorial limits of the political subdivision within which it is organized.

Road Fund – to account for the activities associated with the maintenance of County roads.

## Capital Projects Funds

CDBG Projects - to account for the Federal Funds to be used solely for capital planning. Authority is the Community Development Block Grant Program, P.L. 93-383.

## Agency Funds

Property Tax Fund – to account for the undistributed property taxes both received and yet to be received which are to be distributed to the various taxing entities at a later date.

Prisoners Fund – to account for the deposits and expenditures from prisoners' private funds, used to buy personal items at the commissary.

Sierra County  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
June 30, 2013

	Special Revenue Funds			
	Recreation	911 Addressing	Reappraisal	Lodgers Tax
<b>Assets</b>				
Cash and investments	\$ 1,132	\$ 6,142	\$ 71,642	\$ 3,733
Taxes receivable				510
Interest receivable				
Due from other governments				
Total assets	\$ 1,132	\$ 6,142	\$ 71,642	\$ 4,243
<b>Liabilities and Fund Balances</b>				
Accounts payable	\$ -	\$ 2,878	\$ 1,384	\$ -
Accrued expenses				
Interfund payable				
Deferred revenue				
Total liabilities	\$ -	\$ 2,878	\$ 1,384	\$ -
<b>Fund balances:</b>				
Restricted for:				
Capital projects	\$ -	\$ -	\$ -	\$ -
Debt service				
Public safety		3,264		
Health and welfare				
Highways and streets				
Tax reappraisal			70,258	
Equipment purchases				
Culture and recreation	1,132			4,243
Unassigned				
Total fund balances	\$ 1,132	\$ 3,264	\$ 70,258	\$ 4,243
Total liabilities and fund balances	\$ 1,132	\$ 6,142	\$ 71,642	\$ 4,243

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

<u>Juvenile Probation</u>	<u>MedNet EMS</u>	<u>Law Enforcement</u>	<u>Correction Fees</u>	<u>Flood Damage</u>	<u>Treasurer's Fees</u>	<u>County Indigent</u>
\$ -	\$ 1,864	\$ 21,157	\$ 7,677	\$ 618,702 114,338	\$ 16,690	\$ 295,535 61,073
<u>\$ -</u>	<u>\$ 1,864</u>	<u>\$ 21,157</u>	<u>\$ 7,677</u>	<u>\$ 733,040</u>	<u>\$ 16,690</u>	<u>\$ 356,608</u>
\$ 11,407	\$ 504	\$ -	\$ 36,777	\$ 533	\$ -	\$ 44,785
<u>\$ 11,407</u>	<u>\$ 504</u>	<u>\$ -</u>	<u>\$ 36,777</u>	<u>101,837</u> <u>\$ 102,370</u>	<u>\$ -</u>	<u>\$ 44,785</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	1,360	21,157		630,670	16,690	311,823
(11,407)			(29,100)			
<u>\$ (11,407)</u>	<u>\$ 1,360</u>	<u>\$ 21,157</u>	<u>\$ (29,100)</u>	<u>\$ 630,670</u>	<u>\$ 16,690</u>	<u>\$ 311,823</u>
<u>\$ -</u>	<u>\$ 1,864</u>	<u>\$ 21,157</u>	<u>\$ 7,677</u>	<u>\$ 733,040</u>	<u>\$ 16,690</u>	<u>\$ 356,608</u>



Sierra County  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (concluded)**  
June 30, 2013

	Special Revenue Funds			
	Hopsital GRT	Disaster Assistance	Clerks Equipment Fee	Secure Rural Schools
<b>Assets</b>				
Cash and investments	\$ 32,336	\$ -	\$ 65,723	\$ 436,190
Taxes receivable	198,689			
Interest receivable				
Due from other governments		29,945		
Total assets	\$ 231,025	\$ 29,945	\$ 65,723	\$ 436,190
<b>Liabilities and Fund Balances</b>				
Accounts payable	\$ 2,579	\$ 518	\$ 4,615	\$ -
Accrued expenses				
Interfund payable		41,900		
Deferred revenue	102,834			
Total liabilities	\$ 105,413	\$ 42,418	\$ 4,615	\$ -
Fund balances:				
Restricted for:				
Capital projects	\$ -	\$ -	\$ -	\$ -
Debt service				
Public safety				
Health and welfare	125,612			
Highways and streets				436,190
Tax reappraisal				
Equipment purchases			61,108	
Culture and recreation				
Unassigned		(12,473)		
Total fund balances	\$ 125,612	\$ (12,473)	\$ 61,108	\$ 436,190
Total liabilities and fund balances	\$ 231,025	\$ 29,945	\$ 65,723	\$ 436,190

The accompanying notes are an integral part of these financial statements.

<u>Rural Fire Departments</u>	<u>Capital Projects Funds CDBG Capital Projects</u>	<u>Debt Service Funds Hospital Loan</u>	<u>Total</u>
\$ 1,053,342	\$ 1,303	\$ 416,417	\$ 3,049,585 374,610 - 29,945
<u>\$ 1,053,342</u>	<u>\$ 1,303</u>	<u>\$ 416,417</u>	<u>\$ 3,454,140</u>
\$ 48,565	\$ -	\$ -	\$ 154,545 - 41,900 210,446
<u>5,775</u>			<u>210,446</u>
<u>\$ 54,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 406,891</u>
\$ - 97,507 741,495	\$ 1,303	\$ - 416,417	1,303 513,924 767,276 1,068,105 436,190 70,258 237,798 5,375 (52,980)
<u>160,000</u>			
<u>\$ 999,002</u>	<u>\$ 1,303</u>	<u>\$ 416,417</u>	<u>\$ 3,047,249</u>
<u>\$ 1,053,342</u>	<u>\$ 1,303</u>	<u>\$ 416,417</u>	<u>\$ 3,454,140</u>

Sierra County  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
For the Fiscal Year Ended June 30, 2013

	Special Revenue Funds			
	Farm and Range	Recreation	911 Addressing	Reappraisal
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gas tax				
MVD tax				
Taxes GRT				
Lodgers tax				
Federal sources	17,398			
State sources			462,607	
Charges for services				
Miscellaneous			60	79,119
Total revenues	<u>\$ 17,398</u>	<u>\$ -</u>	<u>\$ 462,667</u>	<u>\$ 79,119</u>
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ 503,246	\$ 74,952
Public safety				
Health and welfare	34,000			
Highways & streets				
Culture and recreation				
Capital outlay				
Debt service:				
Principal				
Interest				
Loan costs				
Total expenditures	<u>\$ 34,000</u>	<u>\$ -</u>	<u>\$ 503,246</u>	<u>\$ 74,952</u>
Revenues over (under) expenditures	\$ (16,602)	\$ -	\$ (40,579)	\$ 4,167
Other financing sources (uses):				
Transfer in	16,602			
Transfer out				
Loan costs				
Loan proceeds				
Net change in fund balance	\$ -	\$ -	\$ (40,579)	\$ 4,167
Fund balance July 1, 2012		1,132	43,843	66,091
Fund balance, June 30, 2013	<u>\$ -</u>	<u>\$ 1,132</u>	<u>\$ 3,264</u>	<u>\$ 70,258</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds

<u>Lodgers Tax</u>	<u>Juvenile Probation</u>	<u>MedNet EMS</u>	<u>Law Enforcement</u>	<u>Correction Fees</u>	<u>Flood Damage</u>	<u>Treasurer's Fees</u>	<u>County Indigent</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 431,285	\$ -	\$ -
							375,240
3,214		18,687	26,000	78,883 87,912	1,334 436	6,800	
<u>\$ 3,214</u>	<u>\$ -</u>	<u>\$ 18,687</u>	<u>\$ 26,000</u>	<u>\$ 166,795</u>	<u>\$ 433,055</u>	<u>\$ 6,800</u>	<u>\$ 375,240</u>
\$ -	\$ - 101,671	\$ - 17,259	\$ - 12,247	\$ - 321,801	\$ - 259,831	\$ 5,592	\$ - 463,750
1,050				6,010			
<u>\$ 1,050</u>	<u>\$ 101,671</u>	<u>\$ 17,259</u>	<u>\$ 12,247</u>	<u>\$ 327,811</u>	<u>\$ 259,831</u>	<u>\$ 5,592</u>	<u>\$ 463,750</u>
\$ 2,164	\$ (101,671)	\$ 1,428	\$ 13,753	\$ (161,016)	\$ 173,224	\$ 1,208	\$ (88,510)
	112,817			60,000			
<u>\$ 2,164</u>	<u>\$ 11,146</u>	<u>\$ 1,428</u>	<u>\$ 13,753</u>	<u>\$ (101,016)</u>	<u>\$ 173,224</u>	<u>\$ 1,208</u>	<u>\$ (88,510)</u>
<u>2,079</u>	<u>(22,553)</u>	<u>(68)</u>	<u>7,404</u>	<u>71,916</u>	<u>457,446</u>	<u>15,482</u>	<u>400,333</u>
<u>\$ 4,243</u>	<u>\$ (11,407)</u>	<u>\$ 1,360</u>	<u>\$ 21,157</u>	<u>\$ (29,100)</u>	<u>\$ 630,670</u>	<u>\$ 16,690</u>	<u>\$ 311,823</u>

Sierra County  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (concluded)**  
For the Fiscal Year Ended June 30, 2013

	Special Revenue Funds			
	Hopsital GRT	Disaster Assistance	Clerk's Equipment Fees	Secure Rural Schools
Revenues:				
Property taxes	\$ 572,434	\$ -	\$ -	\$ -
Gas tax				
MVD tax				
Taxes GRT	486,328			
Lodgers taxes				
Federal sources		194,893		163,675
State sources				
Charges for services			28,129	
Miscellaneous		4,974		
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>\$ 1,058,762</u>	<u>\$ 199,867</u>	<u>\$ 28,129</u>	<u>\$ 163,675</u>
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ 14,829	\$ -
Public safety		219,094		
Health and welfare	677,901			
Highways & streets				
Culture and recreation				
Capital outlay				27,485
Debt service:				
Principal				
Interest				
Loan costs				
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	<u>\$ 677,901</u>	<u>\$ 219,094</u>	<u>\$ 14,829</u>	<u>\$ 27,485</u>
Revenues over (under) expenditures	\$ 380,861	\$ (19,227)	\$ 13,300	\$ 136,190
Other financing sources (uses):				
Transfer in		21,326		300,000
Transfer out	(398,943)			
Loan costs				
Loan proceeds				
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net change in fund balance	\$ (18,082)	\$ 2,099	\$ 13,300	\$ 436,190
Fund balance, July 1, 2012	<u>143,694</u>	<u>(14,572)</u>	<u>47,808</u>	<u>-</u>
Fund balance, June 30, 2013	<u>\$ 125,612</u>	<u>\$ (12,473)</u>	<u>\$ 61,108</u>	<u>\$ 436,190</u>

The accompanying notes are an integral part of these financial statements.

Special Revenue Funds	Capital Projects Funds	Capital Projects Funds	
Rural Fire Departments	CDBG Capital Projects	Hospital Loan	Total
\$ -	\$ -	\$ -	\$ 1,003,719
			-
			-
			861,568
			3,214
25,325			401,291
704,649			1,290,826
			124,175
<u>67,213</u>		<u>628</u>	<u>152,430</u>
<u>\$ 797,187</u>	<u>\$ -</u>	<u>\$ 628</u>	<u>\$ 3,837,223</u>
\$ -	\$ -	\$ 2,285	\$ 600,904
386,422			1,058,494
			1,435,482
			-
			1,050
43,068			70,553
101,160		260,000	367,170
42,340		48,482	90,822
1,209			1,209
<u>\$ 574,199</u>	<u>\$ -</u>	<u>\$ 310,767</u>	<u>\$ 3,625,684</u>
\$ 222,988	\$ -	\$ (310,139)	\$ 211,539
		398,943	909,688
			(398,943)
			-
<u>161,210</u>		<u>327,613</u>	<u>488,823</u>
<u>\$ 384,198</u>	<u>\$ -</u>	<u>\$ 416,417</u>	<u>\$ 1,211,107</u>
<u>614,804</u>	<u>1,303</u>	<u>-</u>	<u>1,836,142</u>
<u>\$ 999,002</u>	<u>\$ 1,303</u>	<u>\$ 416,417</u>	<u>\$ 3,047,249</u>

Sierra County  
**NONMAJOR SPECIAL REVENUE FUNDS - RURAL FIRE DEPARTMENTS**  
**COMBINING BALANCE SHEET**  
June 30, 2013

	<u>Winston Fire</u>	<u>Arrey/Derry Fire</u>	<u>Monticello Fire</u>	<u>Caballo Fire</u>
<b>Assets</b>				
Cash	\$ 165,632	\$ 299,903	\$ 82,753	\$ 139,154
Due from governments				
<b>Total assets</b>	<b><u>\$ 165,632</u></b>	<b><u>\$ 299,903</u></b>	<b><u>\$ 82,753</u></b>	<b><u>\$ 139,154</u></b>
<b>Liabilities and Fund Equity</b>				
Accounts payable	\$ 14,875	\$ 10,700	\$ 2,168	\$ 4,460
Deferred revenue				
<b>Total liabilities</b>	<b><u>\$ 14,875</u></b>	<b><u>\$ 10,700</u></b>	<b><u>\$ 2,168</u></b>	<b><u>\$ 4,460</u></b>
Fund balances:				
Restricted for:				
Debt service	\$ 3	\$ 16,863	\$ 31,927	\$ -
Equipment purchases		160,000		
Public safety	<u>150,754</u>	<u>112,340</u>	<u>48,658</u>	<u>134,694</u>
<b>Total fund equity</b>	<b><u>\$ 150,757</u></b>	<b><u>\$ 289,203</u></b>	<b><u>\$ 80,585</u></b>	<b><u>\$ 134,694</u></b>
<b>Total liabilities and fund equity</b>	<b><u>\$ 165,632</u></b>	<b><u>\$ 299,903</u></b>	<b><u>\$ 82,753</u></b>	<b><u>\$ 139,154</u></b>

The accompanying notes are an integral part of these financial statements.

<u>Hillsboro Fire</u>	<u>Lakeshore Fire</u>	<u>Las Palomas Fire</u>	<u>Poverty Creek Fire</u>	<u>Total</u>
\$ 90,682	\$ 35,318	\$ 129,302	\$ 110,598	\$ 1,053,342
<u>\$ 90,682</u>	<u>\$ 35,318</u>	<u>\$ 129,302</u>	<u>\$ 110,598</u>	<u>\$ 1,053,342</u>
\$ 2,154	\$ 4,090	\$ 9,013	\$ 1,105 5,775	\$ 48,565 5,775
<u>\$ 2,154</u>	<u>\$ 4,090</u>	<u>\$ 9,013</u>	<u>\$ 6,880</u>	<u>\$ 54,340</u>
\$ 20,003	\$ 2	\$ 3	\$ 28,706	\$ 97,507 160,000
<u>68,525</u>	<u>31,226</u>	<u>120,286</u>	<u>75,012</u>	<u>741,495</u>
<u>\$ 88,528</u>	<u>\$ 31,228</u>	<u>\$ 120,289</u>	<u>\$ 103,718</u>	<u>\$ 999,002</u>
<u>\$ 90,682</u>	<u>\$ 35,318</u>	<u>\$ 129,302</u>	<u>\$ 110,598</u>	<u>\$ 1,053,342</u>



Sierra County  
**NONMAJOR SPECIAL REVENUE FUNDS - RURAL FIRE DEPARTMENTS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
For the Fiscal Year Ended June 30, 2013

	<u>Winston Fire</u>	<u>Arrey/Derry Fire</u>	<u>Monticello Fire</u>	<u>Caballo Fire</u>
Revenues:				
Federal sources	\$ -	\$ -	\$ -	\$ -
State sources	67,621	67,621	67,621	49,976
Charges for services				
Miscellaneous	<u>57,317</u>	<u>1,520</u>	<u>6</u>	<u>5,006</u>
Total revenues	<u>\$ 124,938</u>	<u>\$ 69,141</u>	<u>\$ 67,627</u>	<u>\$ 54,982</u>
Expenditures:				
Public safety	\$ 38,234	\$ 57,326	\$ 23,785	\$ 69,788
Capital Outlay	25,877			
Debt service:				
Principal	15,648	11,476	17,793	
Interest	3,161	4,836	13,877	
Loan costs		<u>1,209</u>		
Total expenditures	<u>\$ 82,920</u>	<u>\$ 74,847</u>	<u>\$ 55,455</u>	<u>\$ 69,788</u>
Revenues over (under) expenditures	\$ 42,018	\$ (5,706)	\$ 12,172	\$ (14,806)
Other financing sources (uses):				
Loan proceeds		<u>161,210</u>		
Net change in fund balances	\$ 42,018	\$ 155,504	\$ 12,172	\$ (14,806)
Fund balance, July 1, 2012	<u>108,739</u>	<u>133,699</u>	<u>68,413</u>	<u>149,500</u>
Fund balance, June 30, 2013	<u>\$ 150,757</u>	<u>\$ 289,203</u>	<u>\$ 80,585</u>	<u>\$ 134,694</u>

The accompanying notes are an integral part of these financial statements.

<u>Hillsboro Fire</u>	<u>Lakeshore Fire</u>	<u>Las Palomas Creek</u>	<u>Poverty Creek Fire</u>	<u>Total</u>
\$ 11,400	\$ -	\$ -	\$ 13,925	\$ 25,325
95,174	55,807	157,459	143,370	704,649
				-
<u>1,259</u>	<u>780</u>	<u>1,222</u>	<u>103</u>	<u>67,213</u>
<u>\$ 107,833</u>	<u>\$ 56,587</u>	<u>\$ 158,681</u>	<u>\$ 157,398</u>	<u>\$ 797,187</u>
\$ 31,175	\$ 57,535	\$ 54,247	\$ 54,332	\$ 386,422
			17,191	43,068
16,564	12,434	13,554	13,691	101,160
3,813	1,090	778	14,785	42,340
				1,209
<u>\$ 51,552</u>	<u>\$ 71,059</u>	<u>\$ 68,579</u>	<u>\$ 99,999</u>	<u>\$ 574,199</u>
\$ 56,281	\$ (14,472)	\$ 90,102	\$ 57,399	\$ 222,988
				161,210
<u>\$ 56,281</u>	<u>\$ (14,472)</u>	<u>\$ 90,102</u>	<u>\$ 57,399</u>	<u>\$ 384,198</u>
32,247	45,700	30,187	46,319	614,804
<u>\$ 88,528</u>	<u>\$ 31,228</u>	<u>\$ 120,289</u>	<u>\$ 103,718</u>	<u>\$ 999,002</u>

Sierra County  
**FARM AND RANGE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 17,398	\$ (2,602)
Miscellaneous				-
Total revenues	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 17,398</u>	<u>\$ (2,602)</u>
Expenditures:				
Current:				
Health and welfare	\$ 34,000	\$ 34,000	\$ 34,000	\$ -
Capital outlay				-
Total expenditures	<u>\$ 34,000</u>	<u>\$ 34,000</u>	<u>\$ 34,000</u>	<u>\$ -</u>
Revenues over (under) expenditures	\$ (14,000)	\$ (14,000)	\$ (16,602)	\$ (2,602)
Other financing sources (uses):				
Transfers in	14,000	14,000	16,602	2,602
Transfers out				-
Net change in fund balance after other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Fund balance July 1, 2012				-
Fund balance June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**RECREATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Culture - recreation	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u> -
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
 Fund balance July 1, 2012	 <u>          </u>	 <u>          </u>	 <u>1,132</u>	 <u>1,132</u>
Fund balance June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,132</u>	<u>\$ 1,132</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)				
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**911 ADDRESSING FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 565,820	\$ 565,820	\$ 462,607	\$ (103,213)
Charges for services				-
Miscellaneous			60	60
	<u>565,820</u>	<u>565,820</u>	<u>462,667</u>	<u>(103,153)</u>
Total revenues	<u>\$ 565,820</u>	<u>\$ 565,820</u>	<u>\$ 462,667</u>	<u>\$ (103,153)</u>
Expenditures:				
Current:				
Public safety	\$ 534,888	\$ 569,209	\$ 492,635	\$ 76,574
Capital outlay	30,000	30,000	9,199	20,801
	<u>564,888</u>	<u>599,209</u>	<u>501,834</u>	<u>97,375</u>
Total expenditures	<u>\$ 564,888</u>	<u>\$ 599,209</u>	<u>\$ 501,834</u>	<u>\$ 97,375</u>
Net change in fund balance	\$ 932	\$ (33,389)	\$ (39,167)	\$ (5,778)
Fund balance July 1, 2012	<u>45,309</u>	<u>45,309</u>	<u>45,309</u>	<u>-</u>
Fund balance June 30, 2013	<u>\$ 46,241</u>	<u>\$ 11,920</u>	<u>\$ 6,142</u>	<u>\$ (5,778)</u>
Budgetary reconciliations:				
Net change in fund balance, GAAP basis			\$ (40,579)	
Revenue accruals (net)				
Expenditure accruals (net)			<u>1,412</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (39,167)</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**REAPPRAISAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Miscellaneous	\$ 70,335	\$ 70,335	\$ 79,119	\$ 8,784
Expenditures:				
Current:				
General government	\$ 82,593	\$ 82,593	\$ 70,000	\$ 12,593
Capital outlay	38,168	38,168	4,349	33,819
Total expenditures	<u>\$ 120,761</u>	<u>\$ 120,761</u>	<u>\$ 74,349</u>	<u>\$ 46,412</u>
Revenues over (under) expenditures	\$ (50,426)	\$ (50,426)	\$ 4,770	\$ 55,196
Other financing sources (uses):				
Transfer in	<u>                    </u>	<u>                    </u>	<u>-</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (50,426)	\$ (50,426)	\$ 4,770	\$ 55,196
Fund balance July 1, 2012	<u>66,872</u>	<u>66,872</u>	<u>66,872</u>	<u>-</u>
Fund balance June 30, 2013	<u><u>\$ 16,446</u></u>	<u><u>\$ 16,446</u></u>	<u><u>\$ 71,642</u></u>	<u><u>\$ 55,196</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 4,167	
Revenue accruals (net)				
Expenditure accruals (net)			<u>603</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 4,770</u></u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**LODGER'S TAX FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 4,010	\$ 4,010	\$ 3,732	\$ (278)
Miscellaneous				-
Total revenues	<u>\$ 4,010</u>	<u>\$ 4,010</u>	<u>\$ 3,732</u>	<u>\$ (278)</u>
Expenditures:				
Current:				
Culture-recreation	<u>5,804</u>	<u>5,804</u>	<u>1,800</u>	<u>4,004</u>
Net change in fund balance	\$ (1,794)	\$ (1,794)	\$ 1,932	\$ 3,726
Fund balance July 1, 2012	<u>1,801</u>	<u>1,801</u>	<u>1,801</u>	<u>-</u>
Fund balance June 30, 2013	<u><u>\$ 7</u></u>	<u><u>\$ 7</u></u>	<u><u>\$ 3,733</u></u>	<u><u>\$ 3,726</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 2,164	
Revenue accruals (net)			518	
Expenditure accruals (net)			<u>(750)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 1,932</u></u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**MED NET EMS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 18,687	\$ (1,313)
Expenditures:				
Current:				
Public safety	\$ 20,742	\$ 20,742	\$ 16,755	\$ 3,987
Capital outlay	-	-	-	-
Total expenditures	<u>\$ 20,742</u>	<u>\$ 20,742</u>	<u>\$ 16,755</u>	<u>\$ 3,987</u>
Net change in fund balance	\$ (742)	\$ (742)	\$ 1,932	\$ 2,674
Fund balance July 1, 2012	<u>742</u>	<u>742</u>	<u>(68)</u>	<u>(810)</u>
Fund balance June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,864</u></u>	<u><u>\$ 1,864</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,428	
Revenue accruals (net)			504	
Expenditure accruals (net)			<u>504</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 1,932</u></u>	

The accompanying notes are an integral part of these financial statements.



Sierra County  
**LAW ENFORCEMENT PROTECTION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 26,600	\$ 26,600	\$ 26,000	\$ (600)
Miscellaneous	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	\$ 26,600	\$ 26,600	\$ 26,000	\$ (600)
Expenditures:				
Current:				
Public safety	<u>36,300</u>	<u>36,300</u>	<u>12,247</u>	<u>24,053</u>
Revenues over (under) expenditures	\$ (9,700)	\$ (9,700)	\$ 13,753	\$ 23,453
Other financing sources (uses):				
Loan proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (9,700)	\$ (9,700)	\$ 13,753	\$ 23,453
Fund balance July 1, 2012	<u>9,700</u>	<u>9,700</u>	<u>7,404</u>	<u>(2,296)</u>
Fund balance June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,157</u></u>	<u><u>\$ 21,157</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 13,753	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 13,753</u></u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**CORRECTION FEES FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 240,365	\$ 301,796	\$ 78,883	\$ (222,913)
Charges for services	64,425	64,425	87,912	23,487
Miscellaneous	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	\$ 304,790	\$ 366,221	\$ 166,795	\$ (199,426)
Expenditures:				
Current:				
Public safety	<u>414,000</u>	<u>475,431</u>	<u>458,970</u>	<u>16,461</u>
Revenues over (under) expenditures	\$ (109,210)	\$ (109,210)	\$ (292,175)	\$ (182,965)
Other financing sources (uses):				
Transfer in	<u>                    </u>	<u>                    </u>	<u>189,969</u>	<u>189,969</u>
Net change in fund balance after other financing sources (uses)	\$ (109,210)	\$ (109,210)	\$ (102,206)	\$ 7,004
Fund balance July 1, 2012	<u>109,883</u>	<u>109,883</u>	<u>109,883</u>	<u>                    </u>
Fund balance June 30, 2013	<u>\$ 673</u>	<u>\$ 673</u>	<u>\$ 7,677</u>	<u>\$ 7,004</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (101,016)	
Revenue accruals (net)			(131,159)	
Expenditure accruals (net)			129,969	
Other financing sources (net)			<u>                    </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (102,206)</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**JUVENILE PROBATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public safety	<u>45,000</u>	<u>95,959</u>	<u>95,959</u>	<u>-</u>
Revenues over (under) expenditures	\$ (45,000)	\$ (95,959)	\$ (95,959)	\$ -
Other financing sources (uses):				
Transfer in	45,000	95,959	112,817	16,858
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ -	\$ -	\$ 16,858	\$ 16,858
Fund balance July 1, 2012	<u>-</u>	<u>-</u>	<u>(16,858)</u>	<u>(16,858)</u>
Fund balance June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 11,146	
Revenue accruals (net)			5,712	
Expenditure accruals (net)			<u>-</u>	
Transfer differences			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 16,858</u></u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**FLOOD DAMAGE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Property tax	\$ 389,579	\$ 389,579	\$ 431,081	\$ 41,502
Charges for services	1,778	1,778	1,334	(444)
Miscellaneous	<u>900</u>	<u>900</u>	<u>436</u>	<u>(464)</u>
Total revenues	<u>\$ 392,257</u>	<u>\$ 392,257</u>	<u>\$ 432,851</u>	<u>\$ 40,594</u>
Expenditures:				
Current:				
Health and welfare	\$ 315,257	\$ 318,691	\$ 259,639	\$ 59,052
Capital outlay				-
Total expenditures	<u>\$ 315,257</u>	<u>\$ 318,691</u>	<u>\$ 259,639</u>	<u>\$ 59,052</u>
Revenues over (under) expenditures	\$ 77,000	\$ 73,566	\$ 173,212	\$ 99,646
Other financing sources (uses):				
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ 77,000	\$ 73,566	\$ 173,212	\$ 99,646
Fund balance July 1, 2012			<u>445,490</u>	<u>445,490</u>
Fund balance June 30, 2013	<u>\$ 77,000</u>	<u>\$ 73,566</u>	<u>\$ 618,702</u>	<u>\$ 545,136</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 173,224	
Revenue accruals (net)			(204)	
Expenditure accruals (net)			192	
Other financing uses (net)			<u>          </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 173,212</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**CLERK'S EQUIPMENT FEE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Charges for services	\$ 29,075	\$ 29,075	\$ 28,129	\$ (946)
Miscellaneous	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>\$ 29,075</u>	<u>\$ 29,075</u>	<u>\$ 28,129</u>	<u>\$ (946)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 5,000	\$ 5,000	\$ 5,893	\$ (893)
Capital outlay	<u>24,075</u>	<u>24,075</u>	<u>4,815</u>	<u>19,260</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures	<u>\$ 29,075</u>	<u>\$ 29,075</u>	<u>\$ 10,708</u>	<u>\$ 18,367</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ 17,421	\$ 17,421
<b>Other financing sources (uses):</b>				
Transfer out	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Net change in fund balance after other financing sources (uses)	\$ -	\$ -	\$ 17,421	\$ 17,421
Fund balance July 1, 2012	<u>          </u>	<u>          </u>	<u>48,302</u>	<u>48,302</u>
Fund balance June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 65,723</u></u>	<u><u>\$ 65,723</u></u>
<b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis			\$ 13,300	
Revenue accruals (net)			<u>4,121</u>	
Expenditure accruals (net)			<u>          </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 17,421</u></u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**TREASURERS FEE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Charges for services	\$ 1,544	\$ 7,544	\$ 6,800	\$ (744)
Expenditures:				
Current:				
General government	\$ 1,544	\$ 7,544	\$ 5,592	\$ 1,952
Capital outlay	-	-	-	-
Total expenditures	<u>1,544</u>	<u>7,544</u>	<u>5,592</u>	<u>1,952</u>
Net change in fund balance	\$ -	\$ -	\$ 1,208	\$ 1,208
Fund balance July 1, 2012	<u>15,482</u>	<u>15,482</u>	<u>15,482</u>	<u>15,482</u>
Fund balance June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,690</u></u>	<u><u>\$ 16,690</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,208	
Revenue accruals (net)				
Expenditure accruals (net)			<u>          </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 1,208</u></u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**COUNTY INDIGENT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes GRT	\$ 1,534,026	\$ 2,729,531	\$ 1,949,284	\$ (780,247)
Miscellaneous	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	\$ 1,534,026	\$ 2,729,531	\$ 1,949,284	\$ (780,247)
Expenditures:				
Current:				
Health and welfare	<u>1,066,416</u>	<u>2,261,921</u>	<u>1,989,703</u>	<u>272,218</u>
Net change in fund balance	\$ 467,610	\$ 467,610	\$ (40,419)	\$ (508,029)
Fund balance July 1, 2012	<u>                    </u>	<u>                    </u>	<u>335,954</u>	<u>335,954</u>
Fund balance June 30, 2013	<u><u>\$ 467,610</u></u>	<u><u>\$ 467,610</u></u>	<u><u>\$ 295,535</u></u>	<u><u>\$ (172,075)</u></u>
 Budgetary reconciliation;				
Net change in fund balance, GAAP basis			\$ (88,510)	
Revenue accruals (net)			1,574,044	
Expenditure accruals (net)			(1,525,953)	
Other financing sources			<u>                    </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (40,419)</u></u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**WINSTON FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Intergovernmental	\$ 54,483	\$ 192,483	\$ 67,621	\$ (124,862)
Charges for services				-
Miscellaneous			1,819	1,819
	<u>54,483</u>	<u>192,483</u>	<u>69,440</u>	<u>(123,043)</u>
<b>Total revenues</b>	<b>\$ 54,483</b>	<b>\$ 192,483</b>	<b>\$ 69,440</b>	<b>\$ (123,043)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	\$ 43,191	\$ 69,191	\$ 15,725	\$ 53,466
Capital outlay		112,000	392	111,608
	<u>43,191</u>	<u>181,191</u>	<u>16,117</u>	<u>165,074</u>
<b>Total expenditures</b>	<b>\$ 43,191</b>	<b>\$ 181,191</b>	<b>\$ 16,117</b>	<b>\$ 165,074</b>
<b>Net change in fund balance</b>	<b>\$ 11,292</b>	<b>\$ 11,292</b>	<b>\$ 53,323</b>	<b>\$ 42,031</b>
<b>Fund balance July 1, 2012</b>	<u>                    </u>	<u>                    </u>	<u>112,306</u>	<u>112,306</u>
<b>Fund balance June 30, 2013</b>	<u>\$ 11,292</u>	<u>\$ 11,292</u>	<u>\$ 165,629</u>	<u>\$ 154,337</u>
<b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis			\$ 42,018	
Revenue accruals (net)			(55,498)	
Expenditure accruals (net)			66,803	
Other financing sources (net)			<u>                    </u>	
<b>Net change in fund balance, NON-GAAP budgetary basis</b>			<u>\$ 53,323</u>	

The accompanying notes are an integral part of these financial statements.



Sierra County  
**LAKESHORE FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 46,258	\$ 77,817	\$ 55,807	\$ (22,010)
Charges for services	1,000	1,000	-	(1,000)
Miscellaneous	<u>100</u>	<u>100</u>	<u>778</u>	<u>678</u>
Total revenues	<u>\$ 47,358</u>	<u>\$ 78,917</u>	<u>\$ 56,585</u>	<u>\$ (22,332)</u>
Expenditures:				
Current:				
Public safety	\$ 50,358	\$ 81,917	\$ 57,740	\$ 24,177
Capital outlay			<u>13,719</u>	<u>(13,719)</u>
Total expenditures	<u>\$ 50,358</u>	<u>\$ 81,917</u>	<u>\$ 71,459</u>	<u>\$ 10,458</u>
Revenues over (under) expenditures	\$ (3,000)	\$ (3,000)	\$ (14,874)	\$ (11,874)
Other financing sources (uses):				
Loan proceeds				<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (3,000)	\$ (3,000)	\$ (14,874)	\$ (11,874)
Fund balance July 1, 2012	<u>50,190</u>	<u>50,190</u>	<u>50,190</u>	<u>-</u>
Fund balance June 30, 2013	<u>\$ 47,190</u>	<u>\$ 47,190</u>	<u>\$ 35,316</u>	<u>\$ (11,874)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (14,472)	
Revenue accruals (net)			(2)	
Expenditure accruals (net)			<u>(400)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (14,874)</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**MONTICELLO FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 54,483	\$ 54,483	\$ 67,621	\$ 13,138
Charges for services				-
Miscellaneous			6	6
	<u>54,483</u>	<u>54,483</u>	<u>67,627</u>	<u>13,144</u>
Total revenues	<u>\$ 54,483</u>	<u>\$ 54,483</u>	<u>\$ 67,627</u>	<u>\$ 13,144</u>
Expenditures:				
Current:				
Public safety	\$ 54,642	\$ 54,642	\$ 53,751	\$ 891
Capital outlay	17,000	17,000	392	16,608
	<u>71,642</u>	<u>71,642</u>	<u>54,143</u>	<u>17,499</u>
Total expenditures	<u>\$ 71,642</u>	<u>\$ 71,642</u>	<u>\$ 54,143</u>	<u>\$ 17,499</u>
Revenues over (under) expenditures	\$ (17,159)	\$ (17,159)	\$ 13,484	\$ 30,643
Other financing sources (uses):				
Loan proceeds				-
Net change in fund balance after other financing sources (uses)	\$ (17,159)	\$ (17,159)	\$ 13,484	\$ 30,643
Fund balance July 1, 2012	<u>37,342</u>	<u>37,342</u>	<u>37,342</u>	<u>-</u>
Fund balance June 30, 2013	<u>\$ 20,183</u>	<u>\$ 20,183</u>	<u>\$ 50,826</u>	<u>\$ 30,643</u>
Budgetary reconciliation;				
Net change in fund balance, GAAP basis			\$ 12,172	
Revenue accruals (net)				
Expenditure accruals (net)			1,312	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 13,484</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**CABALLO FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 46,058	\$ 46,058	\$ 49,976	\$ 3,918
Charges for services				-
Miscellaneous			5,006	5,006
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>\$ 46,058</u>	<u>\$ 46,058</u>	<u>\$ 54,982</u>	<u>\$ 8,924</u>
Expenditures:				
Current:				
Public safety	\$ 53,700	\$ 129,113	\$ 68,259	\$ 60,854
Capital outlay	49,200	49,200		49,200
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	<u>\$ 102,900</u>	<u>\$ 178,313</u>	<u>\$ 68,259</u>	<u>\$ 110,054</u>
Revenues over (under) expenditures	\$ (56,842)	\$ (132,255)	\$ (13,277)	\$ 118,978
Other financing sources (uses):				
Loan proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (56,842)	\$ (132,255)	\$ (13,277)	\$ 118,978
Fund balance July 1, 2012	<u>152,431</u>	<u>152,431</u>	<u>152,431</u>	<u>-</u>
Fund balance June 30, 2013	<u><u>\$ 95,589</u></u>	<u><u>\$ 20,176</u></u>	<u><u>\$ 139,154</u></u>	<u><u>\$ 118,978</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (14,806)	
Revenue accruals (net)				
Expenditure accruals (net)			<u>1,529</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (13,277)</u></u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**ARREY/DERRY FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 39,058	\$ 132,803	\$ 67,621	\$ (65,182)
Charges for services				-
Miscellaneous			1,460	1,460
	<u>\$ 39,058</u>	<u>\$ 132,803</u>	<u>\$ 69,081</u>	<u>\$ (63,722)</u>
Total revenues				
Expenditures:				
Current:				
Public safety	\$ 89,451	\$ 89,451	\$ 73,174	\$ 16,277
Capital outlay		93,745		93,745
	<u>\$ 89,451</u>	<u>\$ 183,196</u>	<u>\$ 73,174</u>	<u>\$ 110,022</u>
Total expenditures				
Net change in fund balance	\$ (50,393)	\$ (50,393)	\$ (4,093)	\$ 46,300
Fund balance July 1, 2012	<u>127,133</u>	<u>127,133</u>	<u>127,133</u>	<u>-</u>
Fund balance June 30, 2013	<u>\$ 76,740</u>	<u>\$ 76,740</u>	<u>\$ 123,040</u>	<u>\$ 46,300</u>
Budgetary reconciliation;				
Net change in fund balance, GAAP basis			\$ 155,504	
Revenue accruals (net)			(60)	
Expenditure accruals (net)			1,673	
Other financing sources			<u>(161,210)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (4,093)</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**HILLSBORO FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 79,185	\$ 79,185	\$ 106,574	\$ 27,389
Charges for services				-
Miscellaneous	<u>100</u>	<u>100</u>	<u>1,256</u>	<u>1,156</u>
Total revenues	<u>\$ 79,285</u>	<u>\$ 79,285</u>	<u>\$ 107,830</u>	<u>\$ 28,545</u>
Expenditures:				
Current:				
Public safety	\$ 89,843	\$ 95,256	\$ 70,834	\$ 24,422
Capital outlay	<u>13,000</u>	<u>13,000</u>	<u></u>	<u>13,000</u>
Total expenditures	<u>\$ 102,843</u>	<u>\$ 108,256</u>	<u>\$ 70,834</u>	<u>\$ 37,422</u>
Revenues over (under) expenditures	\$ (23,558)	\$ (28,971)	\$ 36,996	\$ 65,967
Other financing sources (uses):				
Loan proceeds	<u></u>	<u></u>	<u></u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (23,558)	\$ (28,971)	\$ 36,996	\$ 65,967
Fund balance July 1, 2012	<u>33,683</u>	<u>33,683</u>	<u>33,683</u>	<u>-</u>
Fund balance June 30, 2013	<u>\$ 10,125</u>	<u>\$ 4,712</u>	<u>\$ 70,679</u>	<u>\$ 65,967</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 56,281	
Revenue accruals (net)			(3)	
Expenditure accruals (net)			(19,282)	
Other financing sources (net)			<u></u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 36,996</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**LAS PALOMAS FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 47,267	\$ 148,014	\$ 155,917	\$ 7,903
Charges for services	2,000	2,000	1,542	
Miscellaneous	300	300	1,220	920
	<u>300</u>	<u>300</u>	<u>1,220</u>	<u>920</u>
Total revenues	<u>\$ 49,567</u>	<u>\$ 150,314</u>	<u>\$ 158,679</u>	<u>\$ 8,823</u>
Expenditures:				
Current:				
Public safety	\$ 74,041	\$ 174,788	\$ 60,037	\$ 114,751
Capital outlay			631	(631)
	<u>74,041</u>	<u>174,788</u>	<u>60,668</u>	<u>114,120</u>
Total expenditures	<u>\$ 74,041</u>	<u>\$ 174,788</u>	<u>\$ 60,668</u>	<u>\$ 114,120</u>
Revenues over (under) expenditures	\$ (24,474)	\$ (24,474)	\$ 98,011	\$ 122,485
Other financing sources (uses):				
Loan proceeds				-
Net change in fund balance after other financing sources (uses)	\$ (24,474)	\$ (24,474)	\$ 98,011	\$ 122,485
Fund balance July 1, 2012	<u>31,288</u>	<u>31,288</u>	<u>31,288</u>	<u>-</u>
Fund balance June 30, 2013	<u>\$ 6,814</u>	<u>\$ 6,814</u>	<u>\$ 129,299</u>	<u>\$ 122,485</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 90,102	
Revenue accruals (net)			(2)	
Expenditure accruals (net)			7,911	
Other financing sources (net)			<u>          </u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 98,011</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**POVERTY CREEK FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 34,944	\$ 134,944	\$ 163,070	\$ 28,126
Charges for services				
Miscellaneous				-
	<u>34,944</u>	<u>134,944</u>	<u>163,070</u>	<u>-</u>
Total revenues	<u>\$ 34,944</u>	<u>\$ 134,944</u>	<u>\$ 163,070</u>	<u>\$ 28,126</u>
Expenditures:				
Current:				
Public safety	\$ 53,595	\$ 153,595	\$ 110,637	\$ 42,958
Capital outlay	18,967	18,967	1,547	17,420
	<u>72,562</u>	<u>172,562</u>	<u>112,184</u>	<u>60,378</u>
Total expenditures	<u>\$ 72,562</u>	<u>\$ 172,562</u>	<u>\$ 112,184</u>	<u>\$ 60,378</u>
Revenues over (under) expenditures	\$ (37,618)	\$ (37,618)	\$ 50,886	\$ 88,504
Other financing sources (uses):				
Loan proceeds				-
Net change in fund balance after other financing sources (uses)	\$ (37,618)	\$ (37,618)	\$ 50,886	\$ 88,504
Fund balance July 1, 2012	<u>37,618</u>	<u>37,618</u>	<u>31,006</u>	<u>(6,612)</u>
Fund balance June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,892</u>	<u>\$ 81,892</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 57,399	
Revenue accruals (net)			5,672	
Expenditure accruals (net)			(12,185)	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 50,886</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**DISASTER ASSISTANCE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 424,732	\$ 464,949	\$ 164,948	\$ (300,001)
Miscellaneous			4,974	4,974
Total revenues	<u>\$ 424,732</u>	<u>\$ 464,949</u>	<u>\$ 169,922</u>	<u>\$ (295,027)</u>
Expenditures:				
Current:				
Health and welfare	\$ 415,662	\$ 455,879	\$ 218,636	\$ 237,243
Capital outlay				-
Total expenditures	<u>\$ 415,662</u>	<u>\$ 455,879</u>	<u>\$ 218,636</u>	<u>\$ 237,243</u>
Revenues over (under) expenditures	\$ 9,070	\$ 9,070	\$ (48,714)	\$ (57,784)
Other financing sources (uses):				
Transfer in			21,326	21,326
Net change in fund balance after other financing sources (uses)	\$ 9,070	\$ 9,070	\$ (27,388)	\$ (36,458)
Fund balance July 1, 2012			(14,512)	(14,512)
Fund balance June 30, 2013	<u>\$ 9,070</u>	<u>\$ 9,070</u>	<u>\$ (41,900)</u>	<u>\$ (50,970)</u>
Budgetary reconciliation;				
Net change in fund balance, GAAP basis			\$ 2,099	
Revenue accruals (net)			(29,945)	
Expenditure accruals (net)			458	
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (27,388)</u>	

The accompanying notes are an integral part of these financial statements.



Sierra County  
**HOSPITAL GROSS RECEIPTS TAX FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Property taxes	\$ 501,871	\$ 643,036	\$ 571,935	\$ (71,101)
Taxes GRT	572,496	672,496	596,133	(76,363)
Miscellaneous				-
Total revenues	<u>\$ 1,074,367</u>	<u>\$ 1,315,532</u>	<u>\$ 1,168,068</u>	<u>\$ (147,464)</u>
Expenditures:				
Current:				
Health and welfare	\$ 965,871	\$ 1,207,036	\$ 1,179,311	\$ 27,725
Capital outlay				-
Total expenditures	<u>\$ 965,871</u>	<u>\$ 1,207,036</u>	<u>\$ 1,179,311</u>	<u>\$ 27,725</u>
Revenues over (under) expenditures	\$ 108,496	\$ 108,496	\$ (11,243)	\$ (119,739)
Other financing sources (uses):				
Loan proceeds				-
Net change in fund balance after other financing sources (uses)	\$ 108,496	\$ 108,496	\$ (11,243)	(119,739)
Fund balance July 1, 2012			43,579	43,579
Fund balance June 30, 2013	<u>\$ 108,496</u>	<u>\$ 108,496</u>	<u>\$ 32,336</u>	<u>\$ (76,160)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (18,082)	
Revenue accruals (net)			109,306	
Expenditure accruals (net)			(501,410)	
Other financing sources (net)			<u>398,943</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (11,243)</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**SECURE RURAL SCHOOLS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 163,675	\$ 163,675
Charges for services				
Miscellaneous				-
Total revenues	\$ -	\$ -	\$ 163,675	\$ 163,675
Expenditures:				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Capital outlay	300,000	300,000	27,485	272,515
Total expenditures	\$ 300,000	\$ 300,000	\$ 27,485	\$ 272,515
Revenues over (under) expenditures	\$ (300,000)	\$ (300,000)	\$ 136,190	\$ 436,190
Other financing sources (uses):				
Transfer in	300,000	300,000	300,000	-
Net change in fund balance after other financing sources (uses)	\$ -	\$ -	\$ 436,190	\$ 436,190
Fund balance July 1, 2012				-
Fund balance June 30, 2013	\$ -	\$ -	\$ 436,190	\$ 436,190
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 436,190	
Revenue accruals (net)				
Expenditure accruals (net)				
Other financing sources (net)				
Net change in fund balance, NON-GAAP budgetary basis			\$ 436,190	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**CDBG CAPITAL PROJECTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Health and welfare	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance July 1, 2012	<u>          </u>	<u>          </u>	<u>1,303</u>	<u>1,303</u>
Fund balance June 30, 2013	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,303</u></u>	<u><u>\$ 1,303</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**SIERRA VISTA HOSPITAL**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 4,620,000	\$ 4,620,000
Charges for services				
Miscellaneous				-
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,620,000</u>	<u>\$ 4,620,000</u>
Expenditures:				
Current:				
Health and welfare	\$ -	\$ -	\$ -	\$ -
Capital outlay				-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Revenues over (under) expenditures	\$ -	\$ -	\$ 4,620,000	\$ 4,620,000
Other financing sources (uses):				
Loan proceeds				-
Net change in fund balance after other financing sources (uses)	\$ -	\$ -	\$ 4,620,000	\$ 4,620,000
Fund balance July 1, 2012				-
Fund balance June 30, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,620,000</u>	<u>\$ 4,620,000</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 4,622,507	
Revenue accruals (net)			4,617,493	
Expenditure accruals (net)			37,387	
Other financing sources (net)			(4,657,387)	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 4,620,000</u>	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**LANDFILL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2013

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes GRT	\$ 72,000	\$ 72,000	\$ 82,255	\$ 10,255
Charges for services	313,482	313,482	29,705	(283,777)
Intergovernmental	-	-	-	-
Total revenues	\$ 385,482	\$ 385,482	\$ 111,960	\$ (273,522)
Expenditures:				
Current:				
Personnel	\$ 91,394	\$ 91,394	\$ 59,379	\$ 32,015
Operating	146,563	146,563	59,167	87,396
Capital outlay	-	-	-	-
Total expenditures	\$ 237,957	\$ 237,957	\$ 118,546	\$ 119,411
Revenues over (under) expenditures	\$ 147,525	\$ 147,525	\$ (6,586)	\$ (154,111)
Other financing sources (uses):				
Transfer in	-	-	15,000	15,000
Transfer out	-	-	-	-
Revenues over (under) expenditures after other financing sources uses	\$ 147,525	\$ 147,525	\$ 8,414	\$ (139,111)
Fund balance July 1, 2012	-	-	884	884
Fund balance June 30, 2013	\$ 147,525	\$ 147,525	\$ 9,298	\$ (138,227)
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 18,147	
Revenue accruals (net)			(4,335)	
Expenditure accruals (net)			(5,398)	
Net change in fund balance, NON-GAAP budgetary basis			\$ 8,414	

The accompanying notes are an integral part of these financial statements.

Sierra County  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
For the Fiscal Year Ended June 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
<b>Property Tax Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 141,597	\$ 3,532,688	\$ 3,564,322	\$ 109,963
Receivables	690,690		96,779	593,911
	<u>\$ 832,287</u>	<u>\$ 3,532,688</u>	<u>\$ 3,661,101</u>	<u>\$ 703,874</u>
<b>Liabilities</b>				
Due to others	<u>\$ 832,287</u>	<u>\$ 3,532,688</u>	<u>\$ 3,661,101</u>	<u>\$ 703,874</u>
<b>Prisoners Personal fund</b>				
<b>Assets</b>				
Cash and investments	\$ 17,527	\$ 51,873	\$ 51,968	\$ 17,432
	<u>\$ 17,527</u>	<u>\$ 51,873</u>	<u>\$ 51,968</u>	<u>\$ 17,432</u>
<b>Liabilities</b>				
Due to others	<u>\$ 17,527</u>	<u>\$ 51,873</u>	<u>\$ 51,968</u>	<u>\$ 17,432</u>
<b>Cell Phone Zoning</b>				
<b>Assets</b>				
Cash and investments	\$ 7,500	\$ -	\$ 7,500	\$ -
	<u>\$ 7,500</u>	<u>\$ -</u>	<u>\$ 7,500</u>	<u>\$ -</u>
<b>Liabilities</b>				
Due to others	<u>\$ 7,500</u>	<u>\$ -</u>	<u>\$ 7,500</u>	<u>\$ -</u>

Sierra County  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (concluded)**  
For the Fiscal Year Ended June 30, 2013

**Spaceport**

**Assets**

Cash and investments	\$ 7,314	\$ 474,000	\$ 471,809	\$ 9,505
Taxes receivable	<u>83,333</u>	<u>                    </u>	<u>6,839</u>	<u>76,494</u>
Total assets	<u>\$ 90,647</u>	<u>\$ 474,000</u>	<u>\$ 478,648</u>	<u>\$ 85,999</u>

**Liabilities**

Due to others	<u>\$ 90,647</u>	<u>\$ 474,000</u>	<u>\$ 478,648</u>	<u>\$ 85,999</u>
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**Total all agency funds**

**Assets**

Cash and investments	\$ 173,938	\$ 4,058,561	\$ 4,095,599	\$ 136,900
Taxes receivable	<u>774,023</u>	<u>-</u>	<u>103,618</u>	<u>670,405</u>
Total assets	<u>\$ 947,961</u>	<u>\$ 4,058,561</u>	<u>\$ 4,199,217</u>	<u>\$ 807,305</u>

**Liabilities**

Due to others	<u>\$ 947,961</u>	<u>\$ 4,058,561</u>	<u>\$ 4,199,217</u>	<u>\$ 807,305</u>
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The accompanying notes are an integral part of these financial statements.

Sierra County  
**SCHEDULE OF DEPOSITORY COLLATERAL**  
For the Fiscal Year Ended June 30, 2013

	Bank of the Southwest	Citizens Bank	Compass Bank	Total
Checking	\$ 3,500,589	\$ 62,010	\$ -	\$ 3,562,599
Savings	26,641		100,058	126,699
Certificates of deposit	190,000		588,677	778,677
 Total on deposit	 \$ 3,717,230	 \$ 62,010	 \$ 688,735	 \$ 4,467,975
Less: FDIC/SPIC insurance	(267,940)	(62,010)	(250,000)	(579,950)
 Total uninsured public funds	 <u>\$ 3,449,290</u>	 <u>\$ -</u>	 <u>\$ 438,735</u>	 <u>\$ 3,888,025</u>
 50% collateralization requirement (Section 6-10-17 NMSA)	 <u>1,724,645</u>	 <u>-</u>	 <u>219,368</u>	 <u>1,944,013</u>
 Total collateralization requirement	 <u>\$ 1,724,645</u>	 <u>\$ -</u>	 <u>\$ 219,368</u>	 <u>\$ 1,944,013</u>
 Pledged Securities:				
FHLB Letter of credit 12/2/13	\$ 2,150,000	\$ -	\$ -	\$ 2,150,000
GNMA II #603301 12/15/46			25,030	25,030
FNMA 2009-116 Class B 1/25/25			22,623	22,623
FNMA #255892 9/1/25			13,137	13,137
FNMA #GO4000 12/1/29			31,357	31,357
FNMA ARM #695982 3/1/33			22,344	22,344
FNMA ARM #712306 5/1/33			72,068	72,068
FHLMC #1B7338D 4/1/37			184,930	184,930
FHLMC #GO3862 6/1/35			28,762	28,762
FNMA #889056F 10/1/17			37,651	37,651
FNMA ARM AJ8074 12/1/41			63,214	63,214
GNMA II #4804 9/20/40			36,508	36,508
GNMA II #603301 12/15/46			34,487	34,487
 Total pledged securities	 <u>\$ 2,150,000</u>	 <u>\$ -</u>	 <u>\$ 572,111</u>	 <u>\$ 2,722,111</u>
 Pledged securities over (under) requirement	 <u>\$ 425,355</u>	 <u>\$ -</u>	 <u>\$ 352,744</u>	 <u>\$ 778,099</u>

Securities pledged are held for the Bank of the Southwest by the Federal Home Loan Bank in Irving, Texas and for Compass Bank First Financial in El Paso, TX.



Sierra County  
**SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS**  
June 30, 2013

	<u>Type of Account</u>	<u>Bank Balance</u>	<u>Reconciled Balance</u>
<u>Bank of the Southwest</u>			
General	Checking	\$ 3,482,649	\$ 3,084,849
Agency	Checking	17,940	17,432
Agency	Checking	-	-
Commissary	Checking		
Treasurer	Money Market	26,641	26,641
Treasurer	CD	95,000	95,000
Treasurer	CD	95,000	95,000
Total Bank of the Southwest		<u>\$ 3,717,230</u>	<u>\$ 3,318,922</u>
<u>Compass Bank</u>			
Treasurer	Money Market	\$ 92,168	\$ 92,168
Treasurer	Money Market	7,890	7,890
Treasurer	CD	100,000	100,000
Treasurer	CD	244,272	244,272
Treasurer	CD	244,405	244,405
Total State National Bank		<u>\$ 688,735</u>	<u>\$ 688,735</u>
<u>Citizens Bank</u>			
Treasurer	Checking	<u>\$ 62,010</u>	<u>\$ 62,010</u>
<u>Wells Fargo Investments</u>			
Treasurer	Money Market	\$ 6,549	\$ 6,549
Treasurer	GNMA Sec	210,819	210,819
Total Wells Fargo Investments		<u>\$ 217,368</u>	<u>\$ 217,368</u>
<u>LGIP</u>			
Treasurer	Investment	<u>\$ 4,602,507</u>	<u>\$ 4,602,507</u>
<u>1st Financial</u>			
Treasurer	Money Mkt	\$ 3,335	\$ 3,335
Treasurer	FFCB	73,270	73,270
Treasurer	FNMA step	171,045	171,045
Total Wells Fargo Investments		<u>\$ 247,650</u>	<u>\$ 247,650</u>
Cash on deposit with paying agent	NMFA		<u>\$ 1,065,237</u>
Cash on hand			<u>360</u>
			<u><u>\$ 10,202,789</u></u>

**Sierra County**  
**SCHEDULE OF JOINT POWERS AGREEMENTS**  
For the Fiscal Year Ended June 30, 2013

**97-059**

Participants	The City of Truth or Consequences The Village of Williamsburg Sierra County
Responsible party	The City of Truth or Consequences The Village of Williamsburg Sierra County
Description	To provide adequate and appropriate hospital facilities.
Dates of agreement	Indefinitely until terminated by parties.
Amount of project	Unknown
Agency contribution	Gross receipts intercept agreement for 47.5% of ownership.
Audit responsibility	Sierra Vista Hospital The City of Truth or Consequences The Village of Williamsburg Sierra County

**JPA 2000-2001**

Participants	Sierra County Commission Sierra County Sheriff The Village of Williamsburg
Responsible party	Sierra County Commission Sierra County Sheriff The Village of Williamsburg
Description	To assign the use of any existing Law Enforcement equipment owned by the Village to the Sheriff Department to be used in providing law enforcement protection.

Sierra County  
**SCHEDULE OF JOINT POWERS AGREEMENTS (continued)**  
 For the Fiscal Year Ended June 30, 2013

Dates of agreement	Ongoing
Amount of project	Unknown
Agency contribution	Any costs for regular and standard maintenance of vehicles and equipment.
Audit responsibility	Sierra County

**Elephant Butte**

Participants	Sierra County Commission Sierra County Sherriff City of Elephant Butte
Responsible party	Sierra County Commission Sierra County Sherriff City of Elephant Butte
Description	Provide law enforcement protection for the City of Elephant Butte.
Dates of agreement	Ongoing
Amount of project	City Elephant Butte will pay the sherriff's office \$20,600.00
Agency contribution	Unknown
Audit responsibility	Sierra County
Participants	Sierra County Dona Ana County

Sierra County  
**SCHEDULE OF JOINT POWERS AGREEMENTS (continued)**  
For the Fiscal Year Ended June 30, 2013

Responsible party	Sierra County Dona Ana County
Description	For the purpose of constructing a portion of a roadway withing both counties boundaries known as Kite Road.
Dates of agreement	Indefinite, can be terminated with 30 days notice.
Amount of project	Unknown
Agency contribution	Unknown
Audit responsibility	Sierra County Dona Ana County
<b>JPA 79-026</b>	
Participants	Sierra County Valencia County
Responsible party	Sierra County Valencia County
Description	Valencia County will provide incarceration services to male juveniles from Sierra County.
Dates of agreement	Indefinite
Amount of project	Sierra County shall pay Valencia County \$65 per day per juvenile.
Agency contribution	Sierra County shall pay Valencia County \$65 per day per juvenile.
Audit responsibility	Valencia County

Sierra County  
**SCHEDULE OF JOINT POWERS AGREEMENTS (continued)**  
 For the Fiscal Year Ended June 30, 2013

**JPA 79-521, 23-115**

Participants  
 Sierra County  
 State of New Mexico Energy, Minerals and Natural Resources  
 Department

Responsible party  
 Sierra County  
 State of New Mexico Energy, Minerals and Natural Resources  
 Department

Description  
 Wildfire suppression.

Dates of agreement  
 Indefinite

Amount of project  
 Unknown

Agency contribution  
 Unknown

Audit responsibility  
 Sierra County

**Prisoner Care**

Participants  
 Sierra County  
 Sierra County Sherriff  
 City of Truth or Consequences

Responsible party  
 Sierra County  
 Sierra County Sherriff  
 City of Truth or Consequences

Description  
 Housing and care of adult prisoners.

Dates of agreement  
 Indefinite

Sierra County  
**SCHEDULE OF JOINT POWERS AGREEMENTS (continued)**  
For the Fiscal Year Ended June 30, 2013

Amount of project                      The City of Truth or Consequences shall pay Sierra County \$45 per day per prisoner.

Agency contribution                      Unknown

Audit responsibility                      Sierra County

**Luna County**

Participants                                  Sierra County  
Luna County

Responsible party                          Sierra County  
Luna County

Description                                  To provide for the use of the Luna County Juvenile Detention Facility to detain juveniles referred for detention from Sierra County.

Dates of agreement                          Ongoing

Amount of project                          Sierra County shall pay \$85 per day per juvenile.

Agency contribution                          Sierra County shall pay \$85 per day per juvenile.

Audit responsibility                          Sierra County  
Luna County

**Road Maintenance**

Participants                                  Sierra County  
City of Elephant Butte

Responsible party                          Sierra County  
City of Elephant Butte

Sierra County  
**SCHEDULE OF JOINT POWERS AGREEMENTS (concluded)**  
For the Fiscal Year Ended June 30, 2013

Description	Road and street maintenance with the incorporated boundaries of the City of Elephant Butte.
Dates of agreement	Ongoing
Amount of project	\$6,000 in equal quarterly payments.
Agency contribution	Cost of road and street maintenance.
Audit responsibility	Sierra County City of Elephant Butte

Sierra County  
**SCHEDULE OF LEGISLATIVE GRANTS**  
 June 30, 2013

	<u>Sierra Vista Hospital 07-LG-5554</u>	<u>Hospital 07-L-G-3766</u>	<u>Hospital 08-L-G-3270</u>
Original appropriation	\$ 750,000	\$ 1,352,785	\$ 1,024,000
Additions/Deletions	(7,500)	(13,528)	(208,239)
Amedned appropriation	<u>\$ 742,500</u>	<u>\$ 1,339,257</u>	<u>\$ 815,761</u>
Expended through June 30, 2013	\$ 742,500	\$ 1,339,257	\$ 815,761
Encumbrances	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total committed	<u><u>\$ 742,500</u></u>	<u><u>\$ 1,339,257</u></u>	<u><u>\$ -</u></u>
Project expiration date	<u>06/30/13</u>	<u>06/30/13</u>	<u>06/30/14</u>



Sierra County  
**TAX ROLL RECONCILIATION**  
For the Fiscal Year Ended June 30, 2013

Property taxes receivable, July 1, 2012	\$ 1,497,099
Net taxes charged to the Treasurer for 2011	7,404,741
Collections/Distributions/Changes	<u>(7,533,877)</u>
Property taxes receivable, June 30, 2013	<u><u>\$ 1,367,963</u></u>

Sierra County  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Fiscal Year Ended June 30, 2013

**Findings – Financial Statement Audit**

Current Status

07-4 Property tax schedule not presented in the  
State Auditor required format

Repeated

12-1 Capital outlay expenditures charged to incorrect line items

Resolved

**Findings and Questioned Costs – Major Federal Award Programs**

None

MIKE STONE, C.P.A.  
LINDA STONE MCGEE, C.P.A.  
KAY STONE, C.P.A.  
JARROD MASON, C.P.A.  
KELLEY WYATT, C.P.A.

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

Hector H. Balderas, State Auditor  
And  
Board of Commissioners  
Sierra County  
Truth or Consequences, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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 Sierra County as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Sierra County's basic financial statements, and the combining and individual fund financial statements and related budgetary comparisons of the County presented as other supplementary information, and have issued our report thereon dated November 8, 2013.

**Internal Control Over financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Sierra County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 responses as items 07-4 and 2013-1.

### **Sierra County's Responses to Findings**

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

### **Purpose of this Report**

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

*Stone, McGee & Co., CPAs*

Silver City, New Mexico  
November 8, 2013

*Stone, McGee & Co.*  
*Certified Public Accountants*

Sierra County  
**SCHEDULE OF FINDINGS AND RESPONSES**  
For the Fiscal Year Ended June 30, 2013

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of Sierra County.
2. No significant deficiencies relating to the audit of the financial statements are reported in the *Independent Auditor's 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*.
3. No instances of noncompliance material to the financial statements of Sierra County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. Sierra County expended less than \$500,000 in federal funds during the year ended June 30, 2013.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

07-4 Property Tax Schedule (Other)

Condition – The County Treasurer's property tax schedule does not include ten years of information in the format required by the New Mexico State Auditor.

Criteria – Section 2.2.2.12D(2-3) of NMAC 2013 requires property tax information be presented in a specific format.

Effect – Records relating to amounts due to other taxing entities is not available in a by-year format, and the County has not complied with 2.2.2 NMAC 2009.

Cause – The County has been unable to compile the information in the requested format.

Recommendation – We recommend that the County compile the information necessary to comply with 2.2.2 NMAC 2009.

Agency Response – The County is currently in the process of compiling the required information, working in conjunction with its IT services provider.

2013-1 Maintenance of Personnel Records (Other)

Condition – In 6 of 25 personnel files tested, we noted that the I-9 was missing or incomplete.

Criteria – The Form I-9 is required by the United States of America to provide proof of citizenship for employees. This form is required to be completed and maintained in the employee file, subject to inspection by representatives of the United States government.

Effect – Missing or incomplete I-9 forms is a violation of payroll regulations, and subjects the County to significant penalties if the documents are inspected by representatives of the United States government and found to be non-compliant.

Cause – County personnel have not obtaining the required I-9s, and no procedures have been established to ensure that the necessary documents are in employee files.

Recommendation – We recommend that the County review all personnel files, and make certain that the I-9s are present, complete and compliant with federal law.

Agency response – The recommendation will be adopted, and we are currently in the process of completing the I-9s properly for all employees.

#### **OTHER – FINANCIAL STATEMENT PREPARATION**

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s.

#### **EXIT CONFERENCE**

The contents of this report were discussed October 31, 2013. Present at this exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Walter Armijo	Commission Chairman	Sierra County
Mark Huntzinger	County Manager	Sierra County
Teresa Ragsdale	Finance Director	Sierra County
Terri Copsin	Treasurer	Sierra County
Mike Stone	Shareholder	Stone, McGee & Co., CPA's