

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



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INTRODUCTORY SECTION

STATE OF NEW MEXICO

Taos County
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STATE OF NEW MEXICO

Taos County
Official Roster
June 30, 2013

<u>Name</u>		<u>Title</u>
	<u>County Commissioners</u>	
Daniel R. Barrone		Commissioner - Chairman
Gabriel J. Romero		Commissioner - Vice Chairman
Joe Mike Duran		Commissioner
Larry Sanchez		Commissioner
Tom Blankenhorn		Commissioner
	<u>Elected Officials</u>	
Anna Martinez		County Clerk
Darlene J. Vigil		County Assessor
Susan K. Trujillo		County Treasurer
Miguel A. Romero, Jr.		County Sheriff
Andres Vargas		Probate Judge
	<u>Administrative Officials</u>	
Stephen P. Archuleta		County Manager
Leandro R. Cordova		Finance Director

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FINANCIAL SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Hector H. Balderas
New Mexico State Auditor
The U.S. Office of Management and Budget and
The Taos County Commissioners
Taos County
Taos, 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 fund of Taos County, New Mexico (the County), as of and for the year ended June 30, 2013, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the major capital projects fund, debt service fund, the proprietary funds, and all nonmajor funds presented as supplementary information as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Basis for Qualified Opinions on the Governmental Activities Indigent Fund, and the Business-type Activities Low Rent Public Housing Program and the Housing Choice Vouchers Program

Governmental Activities:

Management has not implemented proper internal controls over the indigent fund operations sufficient enough to provide evidence that the expenditures are proper and follow all rules, laws, and regulations required by the Indigent Hospital and County Health Care Act. Accordingly, the expenditures recorded during the year for indigent claims may not have qualified under the Indigent Hospital and County Health Care Act if proper internal controls were in place. The amount by which this departure would affect the assets, fund balances, revenues, and expenditures of the indigent fund has not been determined.

Business-type Activities:

Management was not able to provide sufficient evidence over the beginning balance of capital assets related to the Low Rent Public Housing Program and the Housing Choice Vouchers Program. Management did not perform a proper inventory count during fiscal year 2013 was not able to prepare a complete capital asset inventory at year end June 30, 2013. The amount by which this departure would affect the assets, net position, revenues, and expenses of the Low Rent Housing Program or the Housing Choice Vouchers Program has not been determined.

Also, management was unable to provide sufficient evidence relating to the Low Rent Public Housing Program FSS deposit account. The cash balance that should be held in trust does not match the liability and there is no sufficient evidence to determine if either the asset or liability amount is correct. The amount by which this departure would affect the assets, net position, revenues, and expenses of the Low Rent Public Housing Program has not been determined.

Qualified Opinions

In our opinion, except for the effects of the matters described in the “Basis for Qualified Opinions on the Governmental Activities Indigent Fund, and the Business-type Activities Low Rent Public Housing Program and the Housing Choice Vouchers Program” paragraphs, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Governmental Activities Indigent Fund, and the Business-type Activities Low Rent Public Housing Program and the Housing Choice Vouchers Program of Taos County as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities that are not mentioned above, the business-type activities that are not mentioned above, each major fund, and the aggregate remaining fund information of Taos County, as of June 30, 2013, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County not mentioned above, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, except for the funds mentioned above, the budget comparisons referred to above present fairly, in all material respects, the respective budgetary comparisons for the year then ended in conformity with the budgetary basis of accounting as prescribed in the New Mexico Administrative Code, as more fully described in Note 2 to the financial statements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Management has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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 the 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 the County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations* and Supporting Schedules I through VI required by 2.2.2 NMAC are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and Supporting Schedules I through VI required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except for the effect on the supplementary information of the qualified opinion on the business-type activities as explained in the "Basis for Qualified Opinions on the Governmental Activities Indigent Fund, and the Business-type Activities Low Rent Public Housing Program and the Housing Choice Vouchers Program" paragraph, the Schedule of Expenditures of Federal Award and Supporting Schedules I through VI required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 5, 2013

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**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

Taos County

Statement of Net Position

June 30, 2013

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Current assets			
Cash and cash equivalents	\$ 10,374,120	\$ 573,070	\$ 10,947,190
Investments	5,001,189	60,294	5,061,483
Receivables:			
Property taxes, net	1,435,256	-	1,435,256
Customers, net of allowance	-	766,546	766,546
Other receivables	1,310,462	107,531	1,417,993
Prepaid insurance	315,553	37,526	353,079
Total current assets	<u>18,436,580</u>	<u>1,544,967</u>	<u>19,981,547</u>
Noncurrent assets			
Restricted cash and equivalents	6,806,746	238,649	7,045,395
Capital assets	135,778,012	23,295,365	159,073,377
Less: accumulated depreciation	<u>(43,641,120)</u>	<u>(14,880,269)</u>	<u>(58,521,389)</u>
Total noncurrent assets	<u>98,943,638</u>	<u>8,653,745</u>	<u>107,597,383</u>
Total assets	<u>\$ 117,380,218</u>	<u>\$ 10,198,712</u>	<u>\$ 127,578,930</u>

The accompanying notes are an integral part of these financial statements

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities			
Accounts payable	\$ 348,186	\$ 53,469	\$ 401,655
Accrued payroll liabilities	172,530	39,616	212,146
Deferred revenue	-	4,507	4,507
Accrued interest payable	334,869	-	334,869
Current portion of accrued compensated absences	436,284	55,534	491,818
Current portion of long term obligations	1,392,727	-	1,392,727
Total current liabilities	<u>2,684,596</u>	<u>153,126</u>	<u>2,837,722</u>
Noncurrent liabilities			
Security deposits	-	71,292	71,292
Non current portion of accrued compensated absences	24,042	45,521	69,563
Bonds payable	14,908,239	-	14,908,239
Notes and capital leases payable	30,761,475	-	30,761,475
Total noncurrent liabilities	<u>45,693,756</u>	<u>116,813</u>	<u>45,810,569</u>
Total liabilities	<u>48,378,352</u>	<u>269,939</u>	<u>48,648,291</u>
Net position			
Net investment in capital assets	45,074,451	8,415,096	53,489,547
Restricted for:			
Debt service	1,798,013	-	1,798,013
Capital projects	4,455,541	-	4,455,541
Other purposes- special revenue	10,468,255	-	10,468,255
Housing Choice Vouchers (Section 8)	-	172,865	172,865
Unrestricted	7,205,606	1,340,812	8,546,418
Total net position	<u>69,001,866</u>	<u>9,928,773</u>	<u>78,930,639</u>
Total liabilities and net position	<u>\$ 117,380,218</u>	<u>\$ 10,198,712</u>	<u>\$ 127,578,930</u>

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

Functions/Programs:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 10,267,263	\$ 801,638	\$ 1,778,658	\$ -
Public safety	4,587,696	327,098	1,182,670	-
Culture and recreation	333,208	9,407	-	-
Health and welfare	1,379,751	-	240,418	-
Education	399,068	-	-	-
Public works	4,105,872	560,488	305,183	4,045,382
Interest on long-term debt	2,014,778	-	-	-
Total governmental activities	<u>23,087,636</u>	<u>1,698,631</u>	<u>3,506,929</u>	<u>4,045,382</u>
Business-type activities:				
Solid waste	1,741,006	1,595,278	-	-
Ambulance	4,877,194	3,704,237	-	-
Low rent public housing	660,539	711,430	-	-
Housing choice vouchers	2,374,003	2,356,439	-	-
Public housing capital fund	-	-	-	-
Total business-type activities	<u>9,652,742</u>	<u>8,367,384</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 32,740,378</u>	<u>\$ 10,066,015</u>	<u>\$ 3,506,929</u>	<u>\$ 4,045,382</u>

General Revenues and Transfers:

Taxes:

Property taxes

Gross receipts taxes

Other taxes

Investment income

Miscellaneous income

Transfers

Loss on disposal of asset

Total General revenues and transfers

Change in net position

Net position - beginning of year

Net position - restatement (Note 19)

Net position - as restated

Net position - end of year

The accompanying notes are an integral part of these financial statements

Net (Expenses) Revenues and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (7,686,967)	\$ -	\$ (7,686,967)
(3,077,928)	-	(3,077,928)
(323,801)	-	(323,801)
(1,139,333)	-	(1,139,333)
(399,068)	-	(399,068)
805,181	-	805,181
(2,014,778)	-	(2,014,778)
<u>(13,836,694)</u>	<u>-</u>	<u>(13,836,694)</u>
-	(145,728)	(145,728)
-	(1,172,957)	(1,172,957)
-	50,891	50,891
-	(17,564)	(17,564)
<u>-</u>	<u>-</u>	<u>-</u>
-	(1,285,358)	(1,285,358)
<u>(13,836,694)</u>	<u>(1,285,358)</u>	<u>(15,122,052)</u>
9,521,697	-	9,521,697
7,878,495	-	7,878,495
437,100	206,074	643,174
80,041	420	80,461
677,908	122,204	800,112
(623,357)	623,357	-
(9,774)	-	(9,774)
<u>17,962,110</u>	<u>952,055</u>	<u>18,914,165</u>
<u>4,125,416</u>	<u>(333,303)</u>	<u>3,792,113</u>
69,237,515	10,262,076	79,499,591
(4,361,065)	-	(4,361,065)
<u>64,876,450</u>	<u>10,262,076</u>	<u>75,138,526</u>
<u>\$ 69,001,866</u>	<u>\$ 9,928,773</u>	<u>\$ 78,930,639</u>

STATE OF NEW MEXICO

Taos County
Balance Sheet
Governmental Funds
June 30, 2013

	<u>General Fund</u>	<u>Jail/Detention Fund</u>	<u>Educational Bond Fund</u>	<u>Bond Reserve Fund</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 1,640,213	\$ 499,623	\$ 2,969,600	\$ 1,455,440
Investments	4,801,189	-	-	-
Accounts receivable				
Property taxes	1,435,256	-	-	-
Other receivables	63,434	46,061	-	-
Prepaid expenses	<u>165,036</u>	<u>121,982</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 8,105,128</u>	<u>\$ 667,666</u>	<u>\$ 2,969,600</u>	<u>\$ 1,455,440</u>
<i>Liabilities and fund balance</i>				
<i>Liabilities</i>				
Accounts payable	\$ 224,427	\$ 50,490	\$ -	\$ -
Accrued payroll liabilities	106,941	37,735	-	-
Deferred revenue - property taxes	<u>1,184,021</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>1,515,389</u>	<u>88,225</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable	165,036	121,982	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	-	2,969,600	-
Debt service expenditures	-	-	-	1,455,440
Committed for:				
Corrections facility	-	457,459	-	-
Minimum fund balance	2,206,578	-	-	-
Unassigned	<u>4,218,125</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>6,589,739</u>	<u>579,441</u>	<u>2,969,600</u>	<u>1,455,440</u>
<i>Total liabilities and fund balances</i>	<u>\$ 8,105,128</u>	<u>\$ 667,666</u>	<u>\$ 2,969,600</u>	<u>\$ 1,455,440</u>

The accompanying notes are an integral part of these financial statements

Nonmajor Governmental Funds	Total
\$ 10,615,990	\$ 17,180,866
200,000	5,001,189
-	1,435,256
1,200,967	1,310,462
28,535	315,553
<u>\$ 12,045,492</u>	<u>\$ 25,243,326</u>
\$ 73,269	\$ 348,186
27,854	172,530
-	1,184,021
<u>101,123</u>	<u>1,704,737</u>
28,535	315,553
2,575,421	2,575,421
137,483	137,483
3,407,897	3,407,897
162,423	162,423
76,336	76,336
188,579	188,579
1,086,661	1,086,661
1,485,874	4,455,474
2,517,163	3,972,603
118,928	576,387
159,069	2,365,647
-	4,218,125
<u>11,944,369</u>	<u>23,538,589</u>
<u>\$ 12,045,492</u>	<u>\$ 25,243,326</u>

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STATE OF NEW MEXICO

Taos County

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2013

Exhibit B-1

Page 2 of 2

Amounts reported for governmental activities in the statements of net position are different because:

Fund balances - total governmental funds	\$ 23,538,589
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	92,136,892
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities	1,184,021
Other liabilities are not due and payable with current financial resources and, therefore are not reported in the funds:	
Current portion of accrued compensate absences not due and payable at year end	(436,284)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Accrued interest	(334,869)
Accrued compensated absences	(24,042)
Bonds payable	(15,137,000)
Notes and capital leases payable	<u>(31,925,441)</u>
Net position - governmental activities	<u><u>\$ 69,001,866</u></u>

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

	General Fund	Jail/Detention Fund	Educational Bond Fund	Bond Reserve Fund
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ 9,642,831	\$ -	\$ -	\$ -
Gross receipts taxes	328,494	110,842	-	-
Other taxes	4,434	-	-	-
Intergovernmental:				
State grants	158,897	-	2,962,215	-
Federal grants	1,573,042	16,299	-	-
Charges for services	561,587	234,970	-	-
Investment income	22,216	-	6	56,638
Miscellaneous	370,744	5,316	248	-
<i>Total Revenues</i>	<u>12,662,245</u>	<u>367,427</u>	<u>2,962,469</u>	<u>56,638</u>
<i>Expenditures:</i>				
Current:				
General Government	8,664,189	-	-	-
Public safety	-	2,971,878	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	195,281	-
Capital Outlay	162,123	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total Expenditures</i>	<u>8,826,312</u>	<u>2,971,878</u>	<u>195,281</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,835,933</u>	<u>(2,604,451)</u>	<u>2,767,188</u>	<u>56,638</u>
<i>Other financing sources (uses)</i>				
Proceeds from bonds	-	-	-	-
Operating transfers in	792,365	3,000,000	18,409	309,508
Operating transfers (out)	(4,806,354)	-	(18,423)	(316,810)
<i>Total other financing sources (uses)</i>	<u>(4,013,989)</u>	<u>3,000,000</u>	<u>(14)</u>	<u>(7,302)</u>
<i>Net change in fund balances</i>	<u>(178,056)</u>	<u>395,549</u>	<u>2,767,174</u>	<u>49,336</u>
<i>Fund balances- beginning of year</i>	6,767,795	183,892	202,426	2,891,892
<i>Fund balances - restatement (Note 19)</i>	-	-	-	(1,485,788)
<i>Fund balances - as restated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,406,104</u>
<i>Fund balances- end of year</i>	<u>\$ 6,589,739</u>	<u>\$ 579,441</u>	<u>\$ 2,969,600</u>	<u>\$ 1,455,440</u>

The accompanying notes are an integral part of these financial statements

Nonmajor Governmental Funds	Total
\$ -	\$ 9,642,831
7,439,159	7,878,495
432,666	437,100
2,400,488	5,521,600
416,188	2,005,529
902,074	1,698,631
1,181	80,041
326,782	703,090
<u>11,918,538</u>	<u>27,967,317</u>
365,266	9,029,455
972,714	3,944,592
242,423	242,423
1,379,254	1,379,254
2,750,156	2,750,156
-	195,281
1,576,018	1,738,141
4,498,745	4,498,745
1,908,909	1,908,909
<u>13,693,485</u>	<u>25,686,956</u>
<u>(1,774,947)</u>	<u>2,280,361</u>
505,000	505,000
5,321,617	9,441,899
(4,923,669)	(10,065,256)
<u>902,948</u>	<u>(118,357)</u>
<u>(871,999)</u>	<u>2,162,004</u>
12,862,375	22,908,380
(46,007)	(1,531,795)
<u>12,816,368</u>	<u>14,222,472</u>
<u>\$ 11,944,369</u>	<u>\$ 23,538,589</u>

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STATE OF NEW MEXICO

Taos County

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

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$ 2,162,004
--	--------------

Governmental funds report capital outlays as expenditures. However in
the statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense:

Capital expenditures	1,738,141
Depreciation expense	(3,516,253)
Loss on disposal of assets	(9,774)

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

Change in deferred revenue related to property taxes receivable	(121,135)
---	-----------

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

Retirement of bond issuance costs (Note 1)	(10,981)
Retirement of original issue discount on bonds	(20,842)
Retirement of bond underwriter premium on bonds	7,551
Increase in the reserve for compensated absences	(15,443)
Increase in accrued interest payable	(81,597)
Proceeds of bonds issued	(505,000)
Principal payments on bonds	3,188,000
Principal payments on notes payable	1,029,150
Principal payments on capital leases	281,595

Change in net position of governmental activities	<u>\$ 4,125,416</u>
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The accompanying notes are an integral part of these financial statements

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

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 9,835,257	\$ 9,334,597	\$ 10,112,662	\$ 778,065
Intergovernmental	1,522,250	1,522,250	1,730,514	208,264
Licenses and fees	360,150	360,150	-	(360,150)
Charges for services	35,700	49,959	549,217	499,258
Investment income	35,000	35,000	21,867	(13,133)
Miscellaneous	237,250	237,250	370,744	133,494
<i>Total revenues</i>	12,025,607	11,539,206	12,785,004	1,245,798
<i>Expenditures:</i>				
Current				
General Government	9,846,115	9,909,674	8,644,829	1,264,845
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	112,670	114,270	94,064	20,206
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	9,958,785	10,023,944	8,738,893	1,285,051
<i>Excess (deficiency) of revenues over expenditures</i>	2,066,822	1,515,262	4,046,111	2,530,849
<i>Other financing sources (uses):</i>				
Operating transfers in	924,392	962,392	792,365	(170,027)
Operating transfers (out)	(5,353,491)	(5,353,491)	(4,806,354)	547,137
Designated cash (budgeted increase in cash)	2,362,277	2,875,837	-	(2,875,837)
<i>Total other financing sources (uses)</i>	(2,066,822)	(1,515,262)	(4,013,989)	(2,498,727)
<i>Net change in fund balances</i>	-	-	32,122	32,122
<i>Fund balances - beginning of year</i>	-	-	6,409,280	6,409,280
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 6,441,402	\$ 6,441,402
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 32,122
Adjustments to revenues for taxes, intergovernmental, and charges for services				(122,759)
Adjustments to expenditures for general government and capital outlay				(87,419)
<i>Net change in fund balance (GAAP)</i>				\$ (178,056)

The accompanying notes are an integral part of these financial statements

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

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 74,000	\$ 74,000	\$ 91,901	\$ 17,901
Intergovernmental	-	-	16,299	16,299
Charges for services	212,900	212,900	269,504	56,604
Investment income	-	-	-	-
Miscellaneous	-	-	4,016	4,016
<i>Total revenues</i>	286,900	286,900	381,720	94,820
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	3,567,806	3,583,923	2,986,875	597,048
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	3,567,806	3,583,923	2,986,875	597,048
<i>Excess (deficiency) of revenues over expenditures</i>	(3,280,906)	(3,297,023)	(2,605,155)	691,868
<i>Other financing sources (uses):</i>				
Operating transfers in	3,176,129	3,176,129	3,000,000	(176,129)
Operating transfers (out)	-	-	-	-
Designated cash (budgeted increase in cash)	104,777	120,894	-	(120,894)
<i>Total other financing sources (uses)</i>	3,280,906	3,297,023	3,000,000	(297,023)
<i>Net change in fund balances</i>	-	-	394,845	394,845
<i>Fund balances - beginning of year</i>	-	-	104,778	104,778
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 499,623	\$ 499,623
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 394,845
Adjustments to revenues for taxes and charges for services				(14,293)
Adjustments to expenditures for public safety				14,997
<i>Net change in fund balance (GAAP)</i>				\$ 395,549

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Taos County

Statement of Net Position

Proprietary Funds

June 30, 2013

	Enterprise Funds		
	Solid Waste Enterprise Fund	Ambulance Enterprise Fund	Low Rent Public Housing
Assets			
Current assets:			
Cash and cash equivalents	\$ 127,362	\$ 107,740	\$ 223,751
Investments	-	-	60,294
Receivables:			
Customers, net of allowance	355,856	393,020	17,670
Other receivables	39,351	-	57,705
Prepaid insurance	4,327	9,480	22,496
Total current assets	526,896	510,240	381,916
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	52,263
Capital assets	718,144	9,984,939	12,592,282
Less: accumulated depreciation	(472,630)	(6,016,331)	(8,391,308)
Total noncurrent assets	245,514	3,968,608	4,253,237
Total assets	\$ 772,410	\$ 4,478,848	\$ 4,635,153
Liabilities			
Current liabilities:			
Accounts payable	\$ 32,200	\$ 6,187	\$ 14,612
Accrued payroll liabilities	10,124	19,473	6,006
Deferred revenue	-	-	4,507
Current portion of accrued compensated absences	20,945	30,141	3,291
Total current liabilities	63,269	55,801	28,416
Current liabilities (payable from restricted assets):			
Tenant deposits	-	-	45,651
FSS deposits	-	-	12,120
Total current liabilities (payable from restricted assets)	-	-	57,771
Noncurrent liabilities:			
Noncurrent portion of accrued compensated absences	16,250	23,374	4,363
Total liabilities	79,519	79,175	90,550
Net position			
Net investments in capital assets	245,514	3,968,608	4,200,974
Restricted for:			
Section 8 housing	-	-	-
Unrestricted	447,377	431,065	343,629
Total net position	692,891	4,399,673	4,544,603
Total liabilities and net position	\$ 772,410	\$ 4,478,848	\$ 4,635,153

The accompanying notes are an integral part of these financial statements

<u>Enterprise Funds</u>		
<u>Housing Choice Vouchers</u>	<u>Public Housing Capital Fund</u>	<u>Total</u>
\$ 114,217	\$ -	\$ 573,070
	-	60,294
-	-	766,546
10,475	-	107,531
1,223	-	37,526
<u>125,915</u>	<u>-</u>	<u>1,544,967</u>
186,386	-	238,649
-	-	23,295,365
-	-	(14,880,269)
<u>186,386</u>	<u>-</u>	<u>8,653,745</u>
<u>\$ 312,301</u>	<u>\$ -</u>	<u>\$ 10,198,712</u>
\$ 470	\$ -	\$ 53,469
4,013	-	39,616
-	-	4,507
1,157	-	55,534
<u>5,640</u>	<u>-</u>	<u>153,126</u>
-	-	45,651
13,521	-	25,641
<u>13,521</u>	<u>-</u>	<u>71,292</u>
1,534	-	45,521
<u>20,695</u>	<u>-</u>	<u>269,939</u>
-	-	8,415,096
172,865	-	172,865
118,741	-	1,340,812
<u>291,606</u>	<u>-</u>	<u>9,928,773</u>
<u>\$ 312,301</u>	<u>\$ -</u>	<u>\$ 10,198,712</u>

STATE OF NEW MEXICO
Taos County
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	<u>Solid Waste Enterprise Fund</u>	<u>Ambulance Enterprise Fund</u>	<u>Low Rent Public Housing</u>
<i>Operating revenues:</i>			
Charges for services	\$ 1,595,278	\$ 3,704,237	\$ -
Rental revenue	-	-	295,250
Other tenant revenue	-	-	26,254
Subsidy grants	-	-	389,926
	<hr/>	<hr/>	<hr/>
Total operating revenues	1,595,278	3,704,237	711,430
<i>Operating expenses:</i>			
Personnel services	701,499	1,197,742	160,309
Contractual services	204,434	33,880	8,917
Supplies	-	-	25,128
Administration	130,730	79,055	205,860
Maintenance and materials	19,136	177,111	218,339
Housing assistance payments	-	-	-
Miscellaneous	-	-	28,299
Bad debt expense	648,226	3,097,200	14,447
Depreciation	36,981	292,206	-
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,741,006	4,877,194	661,299
Operating income (loss)	<hr/> (145,728)	<hr/> (1,172,957)	<hr/> 50,131
<i>Non-operating revenues (expenses):</i>			
Taxes	206,074	-	-
Interest	-	-	300
Miscellaneous	1,088	121,876	-
	<hr/>	<hr/>	<hr/>
Total non-operating revenues	207,162	121,876	300
Income (loss) before contributions and transfers	61,434	(1,051,081)	50,431
Transfers in	-	624,441	-
Transfers (out)	(1,084)	-	-
	<hr/>	<hr/>	<hr/>
Total transfers	(1,084)	624,441	-
<i>Change in Net Position</i>	60,350	(426,640)	50,431
<i>Total net position - beginning</i>	<hr/> 632,541	<hr/> 4,826,313	<hr/> 4,494,172
<i>Total net position - ending</i>	<hr/> <u>\$ 692,891</u>	<hr/> <u>\$ 4,399,673</u>	<hr/> <u>\$ 4,544,603</u>

The accompanying notes are an integral part of these financial statements

<u>Housing Choice Vouchers</u>	<u>Public Housing Capital Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 5,299,515
-	-	295,250
-	-	26,254
<u>2,356,439</u>	<u>-</u>	<u>2,746,365</u>
<u>2,356,439</u>	<u>-</u>	<u>8,367,384</u>
134,387	-	2,193,937
39,989	-	287,220
13,822	-	38,950
13,552	-	429,197
-	-	414,586
2,160,289	-	2,160,289
11,204	-	39,503
-	-	3,759,873
<u>-</u>	<u>-</u>	<u>329,187</u>
<u>2,373,243</u>	<u>-</u>	<u>9,652,742</u>
<u>(16,804)</u>	<u>-</u>	<u>(1,285,358)</u>
-	-	206,074
120	-	420
<u>(760)</u>	<u>-</u>	<u>122,204</u>
<u>(640)</u>	<u>-</u>	<u>328,698</u>
(17,444)	-	(956,660)
-	-	624,441
<u>-</u>	<u>-</u>	<u>(1,084)</u>
<u>-</u>	<u>-</u>	<u>623,357</u>
(17,444)	-	(333,303)
<u>309,050</u>	<u>-</u>	<u>10,262,076</u>
<u>\$ 291,606</u>	<u>\$ -</u>	<u>\$ 9,928,773</u>

STATE OF NEW MEXICO
Taos County
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2013

	Enterprise Funds		
	Solid Waste Enterprise Fund	Ambulance Enterprise Fund	Low Rent Public Housing
Cash Flows From Operating Activities:			
Cash received from customers	\$ 1,478,833	\$ 3,940,876	\$ 344,482
Cash paid to suppliers and employees	(1,683,416)	(4,591,214)	(680,261)
Subsidy grants	-	-	389,926
Net Cash Provided (Used) by Operating Activities	(204,583)	(650,338)	54,147
Cash Flows From Non-Capital Financing Activities			
Operating transfers	(1,084)	624,441	-
Miscellaneous expense	1,086	121,878	-
Net Cash Provided (Used) by Non-Capital Financing Activities	2	746,319	-
Cash Flows From Investing Activities:			
Purchase of capital assets	-	(53,553)	-
Gross receipt taxes	206,074	-	-
Purchase of investments	-	-	-
Interest on investments	-	-	300
Net Cash Provided (Used) by Investing Activities	206,074	(53,553)	300
Net Increase (Decrease) in Cash and Cash Equivalents	1,493	42,428	54,447
Cash and Cash Equivalents, Beginning of Year	125,869	65,312	221,567
Cash and Cash Equivalents, End of Year	<u>\$ 127,362</u>	<u>\$ 107,740</u>	<u>\$ 276,014</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ (145,728)	\$ (1,172,957)	\$ 50,131
Adjustments to reconcile operating (loss) to net cash (used) by operating activities:			
Depreciation	36,981	292,206	-
Change in assets and liabilities:			
Accounts receivable	(116,445)	236,639	22,298
Prepaid insurance	(730)	(2,666)	(1,713)
Accounts payable	11,804	2,417	(9,133)
Accrued liabilities	122	(6,644)	744
Deferred revenue	-	-	4,507
Due to other governments	-	-	1,678
Tenant deposits	-	-	198
FSS deposits	-	-	692
Accrued compensated absences	9,413	667	(15,255)
Net Cash Provided (Used) by Operating Activities	\$ (204,583)	\$ (650,338)	\$ 54,147

Summary of Significant Noncash Activities:

There was no significant noncash activity during the year ended June 30, 2013

The accompanying notes are an integral part of these financial statements

Enterprise Funds		
Housing Choice Vouchers	Public Housing Capital Fund	Total
\$ -	\$ -	\$ 5,764,191
(2,382,331)	-	(9,337,222)
2,346,735	-	2,736,661
(35,596)	-	(836,370)
-	-	623,357
(760)	-	122,204
(760)	-	745,561
-	-	(53,553)
-	-	206,074
-	-	-
120	-	420
120	-	152,941
(36,236)	-	62,132
336,839	-	749,587
\$ 300,603	\$ -	\$ 811,719
\$ (16,804)	\$ -	\$ (1,285,358)
-	-	329,187
(9,704)	-	132,788
(180)	-	(5,289)
(1,840)	-	3,248
1,421	-	(4,357)
-	-	4,507
-	-	1,678
-	-	198
-	-	692
(8,489)	-	(13,664)
\$ (35,596)	\$ -	\$ (836,370)

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

Exhibit E-1

<i>Assets</i>	
Cash	\$ 547,653
Taxes receivable	3,483,883
Due from other governments	<u>140,488</u>
<i>Total assets</i>	<u><u>\$ 4,172,024</u></u>
<i>Liabilities</i>	
Due to other taxing entities	\$ 3,810,642
Deposits held in trust	<u>361,382</u>
<i>Total liabilities</i>	<u><u>\$ 4,172,024</u></u>

The accompanying notes are an integral part of these financial statements

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

NOTE 1. Summary of Significant Accounting Policies

Taos County (the “County”) is a political sub-division of the State of New Mexico established under the provisions of Section 4-29-1 of NMSA, 1978 compilation and regulated by the constitution of the State of New Mexico. The County operates under a commission-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, low rent housing assistance, planning and zoning, property assessment, tax collection and general administrative services.

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

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

This summary of significant accounting policies of Taos County is presented to assist in the understanding of Taos County’s financial statements. The financial statements and notes are the representation of Taos County’s management who is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. During the year ended June 30, 2013, the County adopted GASB Statements No. 60 through 63 and 65. GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. The County does not have any Service Concession Arrangements. GASB Statement No. 61, The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34, modifies certain requirements for inclusion of component units in the financial reporting entity. GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which incorporates into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in FASB and AICPA Pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. GASB Statement No. 65 modifies previously reported assets and liabilities including issuance costs of long term debt.

A. *Financial Reporting Entity*

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

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

A. *Financial Reporting Entity (continued)*

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County has one component unit required to be reported under GASB Statements No. 14, No. 39, and No. 61.

Blended Component Unit

Taos County Housing Authority: (“The Authority”): The Authority is a separate legal entity that can sue or be sued separately from the County. The component unit has the same three board members as the County, and the majority of the operating processes are shared with the County. For these reasons, the Authority is considered a blended component unit. Prior to fiscal year 2013, the Authority had a separately elected and/or appointed board and was previously presented as a discretely presented component unit in 2012. The Authority provides services to residents, generally within the geographic boundaries of the primary government. Accounting principles generally excepted in the United States of America requires the inclusion of this unit in the reporting entity.

B. *Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. See Exhibit D-1 through Exhibit D-3 and Statements C-1 through C-2 for *business-type activities*.

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

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

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

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

The principal operating revenues of the Authority, a blended component unit of the County, are federal monies, rent and other tenant-related revenue. Operating expenses of the Authority consist of administrative costs, maintenance and repairs, housing assistance payments, bad debt expenses, and depreciation. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

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

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

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

The *Jail/Detention Special Revenue Fund* is used to account for funds transferred from general fund and charges for services to other governmental units for housing inmates.

The *Educational Bond Capital Projects Fund* is to account for the Bond/Capital outlay; bond proceeds.

The *Bond Reserve Debt Service Fund* is to account for monies designated for the retirement of debt associated with the Taos 40 construction project.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The County also reports the following major proprietary funds:

The *Solid Waste Fund* accounts for the provision of garbage and refuse removal services to the residents of Taos County. All activities necessary to provide such services are accounted for in this fund.

The *Ambulance Fund* accounts for the collection of ambulance fees and the expenses of rendering ambulance services.

The *Low Rent Public Housing Program* accounts for direct grants from HUD, to provide adequate living accommodations to qualified families through reduced rate rentals built and owned by the Housing Authority.

The *Housing Choice Vouchers Program* accounts for direct grants from HUD, to provide rental assistance to qualified recipients through rent subsidies paid directly to third-party property owners.

The *Public Housing Capital Fund Program* accounts for direct grants from HUD, for acquisition of capital assets or construction of capital projects

Additionally, the government reports the following agency fund:

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

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Fund Equity

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

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

Investments for the County are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2013 the County maintained \$0 in the Local Government Investment Pool.

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

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

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

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

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements

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

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	40-45
Infrastructure	30
Vehicles	5-10
Machinery and equipment	5-10

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

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

Compensated Absences: Qualified employees are entitled to earn annual leave according to a graduated leave schedule depending on length of service. No more than two hundred forty (240) hours of annual leave may be carried over from one calendar year to the next. All excess annual leave shall be forfeited, if not used, unless extenuating circumstances warrant approval of an extension by the Board of County Commissioners of Taos County.

Qualified employees are entitled to earn sick leave. Sick leave can be carried over from year to year up to 1200 hours. Upon termination, employees receive no pay for sick time accumulated. Employees eligible for retirement who have more than six hundred (600) hours of sick leave upon retirement from the County shall be paid for each hour in excess of six hundred (600) hours at the rate of half (1/2) their hourly rate of pay at the time of retirement.

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

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

When expenditures are occurred for purposes for which amounts in any of the spendable fund balance classification could be used, it is the County's policy to use committed amounts first, followed by assigned amounts and then unassigned amounts.

Nonspendable Fund Balance: At June 30, 2013, the County had nonspendable fund balance categorized in the governmental funds balance sheet as detailed on pages 26-27 in the amount of \$315,553.

Restricted and Committed Fund Balance: At June 30, 2013, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$16,062,877 for various County operations as restricted by enabling legislation. The County has also presented committed fund balance on the governmental funds balance sheet in the amount of \$576,387 in order to provide services throughout the County. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 20-21.

Minimum Fund Balance Policy: The County's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 3/12th the General Fund expenditures and a cash reserve of 1/12th the Road Special Revenue Fund. At June 30, 2013, the County maintains \$2,365,647 as minimum fund balances.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

- a. Net Investment in capital assets: This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position: Net position is reported as restricted when constraints placed on net position use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described on pages 41-42 and 66-69.
- c. Unrestricted Net Position: Net position that does not meet the definition of “restricted” or “investment in capital assets.”

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

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the County Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total at the fund level. For the Housing Authority, a blended component unit of the County, the Board is required to obtain approval from HUD for any revisions to the budgets that alter the total expenditures, at the legal level of budgetary control, which is at the grant program level. HUD program budgets are prepared on a regulatory basis which is comparable to the GAAP basis except for the omission of depreciation. Budgetary data for the Authority’s programs are prepared on a calendar year basis. HUD does not require the presentation of the budgets in the audit report. The inclusion of the budget in the audit report would be misleading as the audit report is as of June 30, 2013 and the HUD budget period is not complete as of that date.

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

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

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

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information

	Excess (deficiency) of revenues over expenditures	
	Original	Final
	Budget	Budget
Budgeted Funds:		
General Fund	\$ 2,066,822	\$ 1,515,262
Jail/Detention Special Revenue Fund	\$ (3,280,906)	\$ (3,297,023)
Educational Bond Capital Projects Fund	\$ (202,421)	\$ (202,407)
Bond Reserve Debt Service Fund	\$ (2,821,520)	\$ (310,720)
Solid Waste (proprietary)	\$ (175,868)	\$ (143,344)
Ambulance (proprietary)	\$ 857,209	\$ 977,209
Other Governmental Funds	\$ (9,938,352)	\$ (8,856,130)

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

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

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

NOTE 3. Deposits and Investments

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

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

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

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

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

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2013, \$17,910,995 of the County's bank balance of \$19,410,995 was exposed to custodial credit risk. Although the \$17,910,995 was uninsured, \$14,337,097 was collateralized by collateral held by the pledging bank's trust department or a letter of credit, not in the County's name. \$3,573,898 of the County's deposits were uninsured and uncollateralized at June 30, 2013.

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

NOTE 3. Deposits and Investments (continued)

	US Bank	Centinel Bank	Peoples Bank	Total
Total amount of deposits	\$ 10,307,306	\$ 7,907,410	\$ 1,196,279	\$ 19,410,995
FDIC coverage	500,000	500,000	500,000	1,500,000
Total uninsured public funds	9,807,306	7,407,410	696,279	17,910,995
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	9,807,306	3,833,512	696,279	14,337,097
Uninsured and uncollateralized	\$ -	\$ 3,573,898	\$ -	\$ 3,573,898
Collateral requirement (50% of uninsured)	\$ 4,903,653	\$ 3,703,705	\$ 348,140	\$ 8,955,498
Pledged securities	11,496,921	3,833,512	827,028	16,157,461
Over (under) collateralization	\$ 6,593,268	\$ 129,807	\$ 478,888	\$ 7,201,963

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

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

NOTE 3. Deposits and Investments (continued)

Investments

All investments are government securities whose fair market value approximates face value plus any accrued interest. The County had no investments that were highly sensitive to changes in interest rates. The County's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978).

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

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasury Money Market Mutual Funds	>365	\$ 9,940,998	AA+*

*Rating based on Moody's rating

The investments are listed on Schedule II of this report. At June 30, 2013 there was \$4,879,515 of U.S Treasury Money Market Mutual funds classified as cash and cash equivalents at Exhibit B-1.

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

Concentration of Credit Risk – Investments. For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the County. Since the County only purchases investments with the highest credit rating, the concentration is not viewed to be an additional risk by the County. The County's policy related to concentration of credit risk is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2013, the investments in the U.S. Treasury Money Market Mutual Funds were 100% of the County's investment portfolio.

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

Reconciliation of Cash and Cash Equivalents

Primary Government

Reconciliation to Statement of Net Position

Cash and cash equivalents per Exhibit A-1	\$ 10,947,190
Investments per Exhibit A-1	5,061,483
Restricted cash per Exhibit A-1	7,045,395
	<u>23,054,068</u>
Add: outstanding checks and other reconciling items	690,292
	<u>23,744,360</u>
Less: Petty cash	(1,503)
Less: US Treasury Money Market Funds	(9,940,998)
Add: Investments	5,061,483
Add: Agency cash per Exhibit E-1	547,653
	<u>19,410,995</u>
Bank balance of deposits	<u>\$ 19,410,995</u>

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

NOTE 4. Receivables

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

Governmental Activities:

	General	Jail/Detention Fund	Total Nonmajor Funds	Total
Property taxes	\$ 1,435,256	\$ -	\$ -	\$ 1,435,256
Other receivables:				
Intergovernmental - State	49,289	-	37,710	86,999
Gross receipts taxes	-	18,941	1,058,351	1,077,292
Gasoline and oil taxes	-	-	25,552	25,552
Lodger's taxes	2,968	-	26,711	29,679
Licenses and fees	5,761	-	34,095	39,856
Miscellaneous	5,416	27,120	18,548	51,084
Totals by category	<u>\$ 1,498,690</u>	<u>\$ 46,061</u>	<u>\$ 1,200,967</u>	<u>\$ 2,745,718</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$1,184,021 that were not collected within the period of availability have been reclassified as deferred revenue in the governmental fund financial statements. All of the above receivables are deemed to be fully collectible.

Business-type Activities:

	Solid Waste Enterprise Fund	Ambulance Enterprise Fund	Low Rent Public Housing
Customer , Gross	\$ 1,004,082	\$ 3,815,316	\$ 32,117
Allowance for Doubtful Accounts	(648,226)	(3,422,296)	(14,447)
Other receivables:			
Intergovernmental - Federal	-	-	57,705
Intergovernmental - State	39,351	-	-
Miscellaneous	-	-	-
Totals by category	<u>\$ 395,207</u>	<u>\$ 393,020</u>	<u>\$ 75,375</u>

	Housing Choice Vouchers	Total
Customer , Gross	\$ -	\$ 4,851,515
Allowance for Doubtful Accounts	-	(4,084,969)
Other receivables:		
Intergovernmental - Federal	-	57,705
Intergovernmental - State	-	39,351
Miscellaneous	10,475	10,475
Totals by category	<u>\$ 10,475</u>	<u>\$ 874,077</u>

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

NOTE 5. Interfund Receivables, Payables, and Transfers

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

Transfers Out	Transfers In	Amount
General Fund	Non major funds	\$ 76,458
General Fund	Non major funds	390,000
General Fund	Non major funds	47,320
General Fund	Non major funds	19,967
General Fund	Non major funds	14,000
General Fund	Non major funds	161,519
General Fund	Non major funds	83,101
Jail/Detention	General Fund	2,900,000
Jail/Detention	Non major funds	50,000
Jail/Detention	Non major funds	50,000
Educational Bond	Educational Bond	18,409
Educational Bond	Educational Bond	18,423
Educational Refunding Bond Reserve	Non major funds	309,508
Ambulance	General Fund	355,988
Ambulance	Non major funds	268,453
Non major funds	General Fund	1,550,366
Taos County Complex Restructuring	Educational Refunding Bond Reserve	316,810
Non major funds	Non major funds	3,436,018
		<u>\$ 10,066,340</u>

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

NOTE 6. Capital Assets

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

Governmental Activities:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 6,825,397	\$ -	\$ -	\$ 6,825,397
Right of Way	18,750,380	-	-	18,750,380
Construction in Progress	538,237	-	-	538,237
Total capital assets not being depreciated	26,114,014	-	-	26,114,014
Capital assets being depreciated:				
Buildings and Improvements	55,468,712	126,959	-	55,595,671
Infrastructure	38,801,443	775,088	-	39,576,531
Vehicles	8,991,621	764,180	352,424	9,403,377
Machinery and Equipment	5,016,505	71,914	-	5,088,419
Total capital assets being depreciated	108,278,281	1,738,141	352,424	109,663,998
Less accumulated depreciation:				
Buildings and Improvements	4,135,062	1,407,251	-	5,542,313
Infrastructure	25,369,691	921,212	-	26,290,903
Vehicles	7,602,350	609,928	342,650	7,869,628
Machinery and equipment	3,360,414	577,862	-	3,938,276
Total accumulated depreciation	40,467,517	3,516,253	342,650	43,641,120
Total capital assets, net of depreciation	\$ 93,924,778	\$ (1,778,112)	\$ 9,774	\$ 92,136,892

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

General Government	\$ 1,499,787
Public Safety	441,900
Public Works	1,465,653
Culture and Recreation	108,914
	<u>\$ 3,516,253</u>

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

NOTE 6. Capital Assets (continued)

Business-type Activities:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Capital assets not being depreciated:				
Land	\$ 167,589	\$ -	\$ -	\$ 167,589
Total capital assets not being depreciated	<u>\$ 167,589</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,589</u>
Capital assets being depreciated:				
Buildings and Improvements	21,074,898	53,553	-	21,128,451
Machinery and Equipment	1,291,457	-	-	1,291,457
Vehicles	707,868	-	-	707,868
Total capital assets being depreciated	<u>23,074,223</u>	<u>53,553</u>	<u>-</u>	<u>23,127,776</u>
Less accumulated depreciation:				
Buildings and Improvements	13,323,230	253,511	-	13,576,741
Vehicles	595,616	45,128	-	640,744
Machinery and equipment	632,236	30,548	-	662,784
Total accumulated depreciation	<u>14,551,082</u>	<u>329,187</u>	<u>-</u>	<u>14,880,269</u>
Total capital assets, net of depreciation	<u>\$ 8,690,730</u>	<u>\$ (275,634)</u>	<u>\$ -</u>	<u>\$ 8,415,096</u>

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

NOTE 7. Long-term Debt

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

Governmental Activities	Balance	Additions	Deletions	Adjustments	Balance	Due Within One Year
	June 30, 2012				June 30, 2013	
Bonds payable	\$ 15,365,000	\$ 505,000	\$ 3,188,000	\$ 2,455,000	\$ 15,137,000	\$ 228,761
Notes payable	31,688,241	-	1,029,149	5,726	30,664,818	933,680
Capital leases	1,171,675	-	281,596	370,544	1,260,623	230,286
Compensated absences	444,883	447,727	432,284	-	460,326	436,284
	<u>\$ 48,669,799</u>	<u>\$ 952,727</u>	<u>\$ 4,931,029</u>	<u>\$ 2,831,270</u>	<u>\$ 47,522,767</u>	<u>\$ 1,829,011</u>

Gross Receipts Revenue Bonds

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

	Series 1997 Lodger's Tax Bonds	Series 2007 Educational Refunding Bonds	Series 2010 USDA Revenue Bonds
Original Issue:	\$ 777,000	\$ 13,895,000	\$ 15,000,000
Maturity Date	1/1/2037	10/1/2012	5/4/2050
Principal	January 1	October 1	May 4
Interest Rate	5.00%	4.00-4.50%	4.125%
Interest	January 1	April 1 October 1	May 4

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

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2014	\$ 228,761	\$ 633,165	\$ 861,926
2015	236,360	623,606	859,966
2016	243,172	613,725	856,897
2017	251,201	603,563	854,764
2018	259,457	593,061	852,518
2019-2023	1,429,590	2,795,202	4,224,792
2024-2028	1,675,618	2,475,902	4,151,520
2029-2033	1,968,927	2,100,818	4,069,745
2031-2038	2,274,536	1,658,877	3,933,413
2039-2043	2,468,815	1,174,029	3,642,844
2044-2048	2,810,290	631,250	3,441,540
2049-2050	1,290,273	80,255	1,370,528
	<u>\$ 15,137,000</u>	<u>\$ 13,983,453</u>	<u>\$ 29,120,453</u>

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

NOTE 7. Long-term Debt (continued)

Notes Payable

The County entered into several loan agreements with the New Mexico Finance Authority, wherein the County pledged revenue derived from New Mexico Fire Protection Allotments to cover debt service. This revenue is subject to intercept agreements. The annual requirements to amortize the NMFA Loans as of June 30, 2013, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2014	\$ 933,680	\$ 1,197,482	\$ 2,131,162
2015	944,369	1,183,996	2,128,365
2016	960,203	1,167,497	2,127,700
2017	968,719	1,147,001	2,115,720
2018	976,587	1,123,418	2,100,005
2019-2023	5,221,260	5,154,632	10,375,892
2024-2028	6,250,000	4,101,794	10,351,794
2029-2033	7,700,000	2,642,690	10,342,690
2031-2038	6,710,000	979,774	7,689,774
	<u>\$ 30,664,818</u>	<u>\$ 18,698,284</u>	<u>\$ 49,363,102</u>

Capital Leases

The County leases land, vehicles, and other equipment under various capital leases. The economic substance of the leases is that the County is financing the acquisition of the assets through the leases and, accordingly, they are recorded as County assets and liabilities. The obligations under capital leases have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at interest rates as stated in the individual contracts. The annual requirement to amortize the capital leases as of June 30, 2013, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2014	\$ 230,286	\$ 79,285	\$ 309,571
2015	231,142	66,792	297,934
2016	124,771	39,470	164,241
2017	100,279	29,234	129,513
2018	104,843	24,670	129,513
2019-2023	469,302	48,750	518,052
	<u>\$ 1,260,623</u>	<u>\$ 288,201</u>	<u>\$ 1,548,824</u>

Taos County entered into a Capital Lease/Promissory Note Agreement to purchase a tract of 5.723 acres of land. Payments of principal and interest are pledged from: (i) the revenues of the Equalization Distribution to the Governmental Unit pursuant to Section 7-1-6.16, NMSA 1978; (ii) the distribution of the revenues of the first and second increment of 1116th of one percent (1/8%) of County Infrastructure Gross Receipts Tax to the Governmental Unit pursuant to Section 7-20E-19, NMSA 1978; and (iii) the distribution of the revenues of the first, second, third and fourth increment of 1116th of one percent (1/4%) of County Capital Outlay Gross Receipts Tax to the Governmental Unit pursuant to Section 7-20E-21, NMSA 1978.

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

NOTE 7. Long-term Debt (continued)

Proprietary Funds

The following schedule shows the changes to its various forms of debt during the fiscal year ended June 30, 2013:

Business-type Activities	Balance			Balance	
	June 30, 2012	Additions	Deletions	June 30, 2013	Due Within One Year
Compensated absences	\$ 80,630	\$ 71,566	\$ 51,141	\$ 101,055	\$ 55,534
	<u>\$ 80,630</u>	<u>\$ 71,566</u>	<u>\$ 51,141</u>	<u>\$ 101,055</u>	<u>\$ 55,534</u>

NOTE 8. Risk Management

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

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

NOTE 9. Other Required Individual Fund Disclosures

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

- A. There were no funds that had deficit fund balance as of June 30, 2013.
- B. There were no funds with excess of expenditures over appropriations at June 30, 2013.
- C. There were no funds with designated cash appropriations in excess of available balances at June 30, 2013

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

NOTE 10. Pension Plan - Public Employees Retirement Association

Plan Description: Substantially all of Taos 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, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us

Funding Policy: Plan members are required to contribute the following percentages of their gross salary: 16.30% for law enforcement; 16.65% for Detention employees; and 15.65% for County employees. The County is required to contribute the following percentages of the gross covered salary: 18.5% for law enforcement; 16.65% for Detention employees; and 11.65% for County plan members. The contribution requirements of plan members and Taos County are established in State Statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the fiscal years ended June 30, 2013, 2012, and 2011 were \$1,003,871, \$989,071, and \$824,344, respectively, which equal the amount of the required contributions for each fiscal year.

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

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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

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

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

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

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

Taos County's contributions to the RHCA for the years ended June 30, 2013, 2012, and 2011 were \$162,706, \$143,819, and \$112,087, respectively, which equal the required contributions for each year.

NOTE 12. Contingent Liabilities

The County is exposed to various claims and lawsuits in the normal course of business. Management and the County's manager are unaware of any material pending or threatened litigation, claims, or assessments against the County which are not covered by the County's insurance.

NOTE 13. Commitments

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

NOTE 14. Restricted Components of Net Position

The government-wide statement of net position reports \$16,894,674 of restricted assets, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, debt service and capital projects funds, see pages 41-42, and 66-69.

NOTE 15. Joint Powers Agreements and Memos of Understanding

MOU Participants – Ancianos, Inc.

Responsible party – Each participant
Description – Fiscal agent for Capital Asset Purchase
Contract period- Fiscal year 2013- infinity
Estimated amount of project – Unknown
Cost to the County: Unknown
Audit responsibility – Each participant
Fiscal agent – Taos County

MOU Participants – Village of Questa

Responsible party – Each participant
Description – Ambulance services to
Taos County by Village of Questa
Contract period- July 1, 2013- June 30, 2014
Estimated amount of contract – \$70,000
Cost to the County: \$70,000
Audit responsibility – Each participant
Fiscal agent – Each participant

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

NOTE 16. Subsequent Events

On September 5, 2013 Taos County closed on the sale of Series 2013 Education Gross Receipts Tax Improvement Bonds in the amount of \$22,000,000 with an average interest rate of 3.48% and a final maturity of April, 2023. The pledged revenue is the County Wide Education GRT (.5%) pursuant to County Ordinance 2012-4 adopted and approved by the Board on July 10, 2012 and passed by the voters on September 18, 2012.

The date to which events occurring after June 30, 2013, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is November 5, 2013 which is the date on which the financial statements were issued.

NOTE 17. Subsequent Pronouncements

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

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

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

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

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

NOTE 18. Federal and State Grants

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

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

NOTE 19. Restatement of Fund Balance and Net Position

The County made fund balance and net position restatements in the following funds:

Bond Reserve	\$ (1,485,788)
NMFA Latir Taos	<u>(46,007)</u>
	<u>\$ (1,531,795)</u>

The Bond Reserve restatement was due to the County improperly accounting for debt payments in the prior years. The NMFA Latir Taos restatement was due to the County improperly carrying forward cash balances from prior year that the County no longer had in current year.

The County also restated prior year net position in the amount of \$ 2,829,270. This restatement was due to prior year errors related to the following debt:

NMED Construction Bureau Loan	\$ (5,726)
2007 Educational GRT Bond	45,000
Series 2012A Education GRT Bond	(2,500,000)
Caterpillar Financial (road graders)	<u>(368,544)</u>
	<u>\$ (2,829,270)</u>

The \$1,531,795 restatement to the fund balance and the government wide net position, and the \$2,829,270 restatement to the government wide net position resulted in a \$4,361,065 restatement at Exhibit A-2

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
June 30, 2013

Special Revenue Funds

Health Care – To account for revenues received from a portion of County Local Option Gross Receipts for the support of resident patients (Section 7-20E-9(D)).

GRT Judicial Complex – To account for the revenues and expenditures of fees collected through the Domestic Violence Program Fund.

Corrections – To account for revenues received from the State to be used for municipal jailer training, construction planning, construction, operation and maintenance of a municipal jail, for paying the cost of housing of inmates or for complying with Federal match contributions (Section 35-14-11 NMSA, 1978).

Property Valuation – To account for revenue receipts resulting from a one percent (1%) property tax to be used pursuant to a property valuation program by the County assessor and approved by a majority of the County Commission (Section 7-38-38.1 NMSA, 1978).

Road - To account for revenues and expenditures of the County road improvement fund for the construction of street, road, walkway, bridge, overpass, pathway, alley, curb, gutter or sidewalk projects (Section 7-1-6.26 NMSA, 1978).

Emergency Medical Services Ambulance – To account for funds from intergovernmental sources and fees to provide ambulance services to Taos County residences (Section 24-10A-1 NMSA, 1978).

Farm and Range – To account for revenues received to be expanded by counties for: 1) soil and water conservation; 2) the control of rodents and predatory animals and the extermination of poisonous and noxious weeds; 3) the construction of dipping vats, spraying machines and other structures to control parasites on livestock; 4) the repair and maintenance of said vats; 5) and for machines and structures and the construction and maintenance of secondary roads (Section 6-11-6 NMSA, 1978).

Fire Protection -Fire Districts (Fire Marshal) Fund and Fire Districts Discretion Fund – To account for revenues derived from fees on property and motor vehicle insurance businesses which are deposited into the insurance department suspense fund and then transferred into the Fire Protection Fund by the State Treasurer. These funds are subsequently distributed by the State Fire Marshal to County Fire Districts, including the purchase, construction, maintenance, repair and operation of fire stations and substations, fire apparatus and equipment, the payment of insurance premiums on fire stations and substations, insurance premiums for injuries or death of fire fighters and certain training (Section 59A-53-1 to 59A-53-17 NMSA, 1978).

Law Enforcement Protection – To account for revenues received by the State of New Mexico to provide for: 1) the repair and purchase of law enforcement apparatus and equipment; 2) expenses associated with advances in law enforcement planning and training; 3) complying with match or contribution requirements of federal funds for criminal justice programs; 4) no more than (50%) of the replacement salaries of County law enforcement personnel while attending training as specified in item #2 (Section 29-13-3 NMSA, 1978).

Lodger's Tax Promotional – To account for revenues derived from the imposition of a gross receipts tax on lodging within that part of the County outside of the incorporated limits of a municipality. Proceeds may be used to defray costs of: 1) collecting and administering the tax; 2) establishing and operating, constructing, purchasing, otherwise acquiring, reconstructing, extending, bettering or otherwise improving fairgrounds, exposition buildings, field houses, auditoriums, performing arts facilities, convention halls, or other convention facilities of the County; 3) acquiring equipment furnishings for facilities specified in item #2; 4) acquiring suitable site grounds or other real property for facilities specified in item #2; 5) payment of principal and interest of outstanding revenue bonds issued prior to July 1, 1977; 6) advertising, publicizing and promising facilities of the municipality of the County and tourist facilities within the area (Section 3-38-15 NMSA, 1978).

Lodger's Tax Non-Promotional – To account for revenues derived from one-third of the Lodger's Tax Fund that is held in a savings account and utilized in accordance with state statutes and local ordinances.

Recreation – To account for revenues and expenditures from state distribution of a one-cent cigarette tax. Expenditure is limited to operating recreational facilities, including salaries of instructors and other employees (Section 7-12.15 NMSA, 1978).

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
June 30, 2013

Special Revenue Funds

Indigent Health – To account for revenues derived from a county imposed local receipts tax for the purpose of providing ambulance transportation and hospital care for indigent persons residing with Taos County (Section 7.20E-9 NMSA, 1978).

Fire Rescue Excise Tax – To account for revenues derived from a county imposed local gross receipts tax of ¼ cent for operational expenses, ambulance services or capital outlay costs of fire districts and ambulance services provided by the County (Section 7-20E.15 NMSA, 1978).

Clerk’s Recording Fees – To account for an additional \$4.00 recording fee to be utilized for purchase of equipment associated with recording, filing, maintaining or reproducing documents in the County Clerk’s Office (Section 14-8.12.2 NMSA, 1978).

Youth Build – Established to account for revenues and expenditures in order to provide construction and job training, education, counseling and leadership development for low income youth.

Solid Waste Equipment – To account for revenues received for the purchase of equipment. Authority for this fund is established by an Ordinance of the County Commission.

Taos County Donations – To account for donated funds received by the County. Authority for this fund is established by an Ordinance of the County Commission.

Taos County Grant Match – To account for funds received for the Taos County Project. Authority for this fund is established by an Ordinance of the County Commission.

DWI Program– To account for revenues received from a state grant for new, innovative or model programs, services or activities to prevent or reduce incidence of DWI, alcoholism and alcohol abuse (Section 11.6A-3 NMSA, 1978).

DWI Grant – To account for revenues received from a state grant for new, innovative or model programs, services or activities to prevent or reduce incidence of DWI, alcoholism and alcohol abuse (Section 11.6A-3 NMSA, 1978).

DWI Intake Supervision – To account for intake fees received by the County from DWI incidences. Authority for this fund is established by an Ordinance of the County Commission.

DWI Domestic Violence – To account for the revenues and expenditures of fees collected through the Domestic Violence Program Fund.

Juvenile Adjudication GRT – To account for revenues and expenditures of the GRT for Juvenile Adjudication.

DWI School – To account for DWI fees received by the County. Authority for this fund is established by an Ordinance of the County Commission.

Forest Reserve Title III – To account for federal funds passed through the U.S. Forest Service for maintenance of forest roads in Taos County.

Fire Districts Discretionary – To account for non-restricted revenues and expenditures of the Fire Districts

Taos County Animal Shelter – To account for the revenues and expenditures of the Taos County Animal Shelter.

Intergovernmental– To account for the revenues and expenditures for various grant activity, legislative appropriations, and construction projects.

NMSA Aging – Chamisal - To account for revenues received from a NM State Agency on Aging Grant awarded to the Chamisal Community Center for a construction project.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
June 30, 2013

Capital Projects Funds

Capital Enhancement – To account for revenue and expenditures related to the Capital Enhancement Project.

Amalia Community Center – New Mexico Legislative Appropriation (NMLA) Grant - To improve and equip including the construction of a water well – fund established to account for grant funding.

Admin/Judicial/ Complex Projects – To account for revenue and expenditures related to Admin/Judicial Complex Project.

Taos County Complex Construction – This capital projects fund is used to account for the debt service of a loan from the NMFA to finance the construction project of the Taos County Admin/Judicial/Detention Complex.

CDBG Dist. 5 Penasco Area – To account for the CDBG projects of Dist. 5.

USDA Rural Business Enterprise GRT – To account for the expenditures related to the USDA grant project.

STATE OF NEW MEXICO
Taos County
Nonmajor Governmental Funds
June 30, 2013

Debt Service Funds

NMFA Debt Service– To account for the accumulation of resources and payments on the County’s New Mexico Finance Authority (NMFA) Debt Service.

Admin/Judicial/Correctional Complex – To account for the debt service of a loan from the New Mexico Finance Authority (NMFA) to finance the construction project of the Taos County Admin/Judicial/Detention Complex

2003 Bond – To account for the accumulation of resources and payment of the Bond Debt Service. Authority for this fund is established by an Ordinance of the County Commission.

Educational Bond – To account for the Taos County Educational GRT Bond series 2002-2003 debt service.

2004 Educational Bond Series – To account for the accumulation of resources and payment of Taos County Series 2004 Education Gross Receipts Tax Improvement Bond. Authority for this fund is established by an Ordinance of the County Commission.

2007 Refunding Series – To account for the accumulation of resources for, and the extinguishment of, the 2003 and 2004 Educational Gross Receipts Bonds. Revenues for this fund are generated by sources designated in bond documents.

Land Purchase Judicial Complex – To account for the Judicial/Admin/Detention complex land purchase debt service.

USDA/RUS Complex – To account for the accumulation of resources and payments on the County’s USDA/RUS Loan used in complex construction.

NMFA Taos Backhoe – To account for the loan agreement for the purchase of equipment for the Solid Waste Department.

NMFA Latir Taos – To account for the Loan agreement for the purchase of fire apparatus for the Latir Fire District.

La Lama Loan – To account for the Loan agreement for the purchase of fire apparatus for the La Lama Fire District.

USDA Loan Reserve – To account for the bond reserves required by the USDA loan agreement.

NMED SW Loan Debt Service Fund – To account for the debt service on the NMED Loan.

USDA Loan Proceeds - To account for the loan proceeds of the USDA loan agreement.

USDA BoA Debt Service – To account for funds used to pay principal and interest on the USDA loan agreement.

Taos County Complex Restructuring – To account for loan proceeds of NMFA Loan No. 40, which was a restructuring of NMFA Loan No. 26 and No. 29.

County 2012A Bond – To account for loan proceeds of the Series 2012A Education Gross Receipts Tax Improvement Revenue Bonds.

County 2012B Bond - To account for loan proceeds of the Series 2012B Education Gross Receipts Tax Improvement Revenue Bonds.

County Educational Bond - To account for collections of the Educational Bond.

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

	Special Revenue			
	Health Care Fund	GRT Judicial Complex Fund	Corrections Fund	Property Valuation Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 507,429	\$ 1,289,643	\$ 118,928	\$ 520,893
Investments	-	-	-	-
Accounts receivable				
Other receivables	65,764	42,783	-	-
Prepaid expenses	-	-	-	-
<i>Total current assets</i>	<u>\$ 573,193</u>	<u>\$ 1,332,426</u>	<u>\$ 118,928</u>	<u>\$ 520,893</u>
 <i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	3,007
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,007</u>
 <i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	1,332,426	-	517,886
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	-	-
Healthcare	573,193	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	118,928	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>573,193</u>	<u>1,332,426</u>	<u>118,928</u>	<u>517,886</u>
<i>Total liabilities and fund balances</i>	<u>\$ 573,193</u>	<u>\$ 1,332,426</u>	<u>\$ 118,928</u>	<u>\$ 520,893</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Road Fund	Emergency Medical Services Ambulance Fund	Farm and Range Fund	Fire Protection Fund	Law Enforcement Protection Fund	Lodger's Tax Promotional Fund
\$ 251,550	\$ 18,304	\$ 15,638	\$ 1,673,230	\$ 21,523	\$ 65,649
-	-	-	-	-	-
84,206	-	-	1,183	-	10,687
5,569	-	-	21,490	-	-
<u>\$ 341,325</u>	<u>\$ 18,304</u>	<u>\$ 15,638</u>	<u>\$ 1,695,903</u>	<u>\$ 21,523</u>	<u>\$ 76,336</u>
\$ 22,740	\$ 1,967	\$ 979	\$ 21,712	\$ -	\$ -
16,464	-	-	-	-	-
<u>39,204</u>	<u>1,967</u>	<u>979</u>	<u>21,712</u>	<u>-</u>	<u>-</u>
5,569	-	-	21,490	-	-
-	-	14,659	-	-	-
137,483	-	-	-	-	-
-	-	-	1,652,701	-	-
-	-	-	-	-	-
-	-	-	-	-	76,336
-	16,337	-	-	21,523	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
159,069	-	-	-	-	-
<u>302,121</u>	<u>16,337</u>	<u>14,659</u>	<u>1,674,191</u>	<u>21,523</u>	<u>76,336</u>
<u>\$ 341,325</u>	<u>\$ 18,304</u>	<u>\$ 15,638</u>	<u>\$ 1,695,903</u>	<u>\$ 21,523</u>	<u>\$ 76,336</u>

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

	Special Revenue			
	Lodger's Tax Non-Promotional Fund	Recreation Fund	Indigent Health Fund	Fire Rescue Excise Tax Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 34,990	\$ 5,103	\$ 315,591	\$ 1,483,410
Investments	-	-	-	200,000
Accounts receivable				
Other receivables	16,026	-	199,383	81,962
Prepaid expenses	-	-	-	-
<i>Total current assets</i>	<u>\$ 51,016</u>	<u>\$ 5,103</u>	<u>\$ 514,974</u>	<u>\$ 1,765,372</u>
<i>Liabilities</i>				
Accounts payable	\$ 10,523	\$ 541	\$ 53	\$ 10,176
Accrued payroll liabilities	679	594	1,453	-
<i>Total liabilities</i>	<u>11,202</u>	<u>1,135</u>	<u>1,506</u>	<u>10,176</u>
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted for:				
General county operations	39,814	3,968	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	1,755,196
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	513,468	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>39,814</u>	<u>3,968</u>	<u>513,468</u>	<u>1,755,196</u>
<i>Total liabilities and fund balances</i>	<u>\$ 51,016</u>	<u>\$ 5,103</u>	<u>\$ 514,974</u>	<u>\$ 1,765,372</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Clerk's Recording Fees Fund	Youth Build Fund	Solid Waste Equipment Fund	Taos County Donations Fund	Taos County Grant Match Fund	DWI Program Fund
\$ 291,789	\$ -	\$ -	\$ 2,100	\$ 28,227	\$ 38,754
-	-	-	-	-	-
-	-	-	-	-	22,151
-	-	-	-	-	1,287
<u>\$ 291,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,100</u>	<u>\$ 28,227</u>	<u>\$ 62,192</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	3,273
-	-	-	-	-	3,273
-	-	-	-	-	1,287
291,789	-	-	2,100	28,227	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	57,632
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>291,789</u>	<u>-</u>	<u>-</u>	<u>2,100</u>	<u>28,227</u>	<u>58,919</u>
<u>\$ 291,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,100</u>	<u>\$ 28,227</u>	<u>\$ 62,192</u>

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

	Special Revenue			
	DWI Grant Fund	DWI Intake Supervision Fund	DWI Domestic Violence Fund	Juvenile Adjudication GRT Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 9,090	\$ 52,899	\$ 12,427	\$ 60
Investments	-	-	-	-
Accounts receivable				
Other receivables	11,475	-	-	-
Prepaid expenses	189	-	-	-
<i>Total current assets</i>	<u>\$ 20,754</u>	<u>\$ 52,899</u>	<u>\$ 12,427</u>	<u>\$ 60</u>
<i>Liabilities</i>				
Accounts payable	\$ 124	\$ 51	\$ -	\$ -
Accrued payroll liabilities	-	1,315	-	-
<i>Total liabilities</i>	<u>124</u>	<u>1,366</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable	189	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	20,441	51,533	12,427	60
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>20,630</u>	<u>51,533</u>	<u>12,427</u>	<u>60</u>
<i>Total liabilities and fund balances</i>	<u>\$ 20,754</u>	<u>\$ 52,899</u>	<u>\$ 12,427</u>	<u>\$ 60</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

DWI School Fund	Forest Reserve Title III Fund	Fire Districts Discretionary Fund	Taos County Animal Shelter Fund	Inter-Governmental Fund	NMSA Aging-Chamisal Fund
\$ -	\$ 163,874	\$ 8,626	\$ -	\$ 343,173	\$ -
-	-	-	-	-	-
-	-	-	-	2,900	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 163,874</u>	<u>\$ 8,626</u>	<u>\$ -</u>	<u>\$ 346,073</u>	<u>\$ -</u>
\$ -	\$ 606	\$ -	\$ -	\$ 1,297	\$ -
-	845	-	-	224	-
-	1,451	-	-	1,521	-
-	-	-	-	-	-
-	-	-	-	344,552	-
-	-	-	-	-	-
-	162,423	-	-	-	-
-	-	-	-	-	-
-	-	8,626	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	162,423	8,626	-	344,552	-
<u>\$ -</u>	<u>\$ 163,874</u>	<u>\$ 8,626</u>	<u>\$ -</u>	<u>\$ 346,073</u>	<u>\$ -</u>

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

	Capital Projects			Taos County Complex Construction Fund
	Capital Enhancement Fund	Amalia Community Center Fund	Admin/Judicial/ Complex Fund	
<i>Assets</i>				
Cash and cash equivalents	\$ 44,142	\$ 8,425	\$ 1,102	\$ 1,434,705
Investments	-	-	-	-
Accounts receivable				
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total current assets</i>	<u>\$ 44,142</u>	<u>\$ 8,425</u>	<u>\$ 1,102</u>	<u>\$ 1,434,705</u>
<i>Liabilities</i>				
Accounts payable	\$ 2,500	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
<i>Total liabilities</i>	<u>2,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Capital projects expenditures	41,642	8,425	1,102	1,434,705
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>41,642</u>	<u>8,425</u>	<u>1,102</u>	<u>1,434,705</u>
<i>Total liabilities and fund balances</i>	<u>\$ 44,142</u>	<u>\$ 8,425</u>	<u>\$ 1,102</u>	<u>\$ 1,434,705</u>

The accompanying notes are an integral part of these financial statements

Capital Projects		Debt Service			
CDBG Dist. 5 Penasco Area Fund	USDA Rural Business Enterprise GRT Fund	NMFA Debt Service Fund	Admin/Judicial/ Correctional Complex Fund	2003 Bond Debt Service Fund	Educational Bond Fund
\$ -	\$ -	\$ 8	\$ 67	\$ 40,273	\$ 23,236
-	-	-	-	-	-
-	-	-	-	31	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 67</u>	<u>\$ 40,304</u>	<u>\$ 23,236</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8	67	40,304	23,236
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8	67	40,304	23,236
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 67</u>	<u>\$ 40,304</u>	<u>\$ 23,236</u>

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

	Debt Service			
	2004 Education Bond Series Fund	2007 Refunding Series Fund	Land Purchase Judicial Complex Fund	USDA/RUS Complex Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 222	\$ 50,467	\$ 3	\$ 290,921
Investments	-	-	-	-
Accounts receivable				
Other receivables	-	-	-	131,484
Prepaid expenses	-	-	-	-
<i>Total current assets</i>	<u>\$ 222</u>	<u>\$ 50,467</u>	<u>\$ 3</u>	<u>\$ 422,405</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	222	50,467	3	422,405
Committed for:				
Corrections facility	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>222</u>	<u>50,467</u>	<u>3</u>	<u>422,405</u>
<i>Total liabilities and fund balances</i>	<u>\$ 222</u>	<u>\$ 50,467</u>	<u>\$ 3</u>	<u>\$ 422,405</u>

The accompanying notes are an integral part of these financial statements

Debt Service

<u>NMFA Taos Backhoe Fund</u>	<u>NMFA Latir Taos Fund</u>	<u>La Lama Loan Fund</u>	<u>USDA Loan Reserve Fund</u>	<u>NMED SW Loan Fund</u>	<u>USDA Loan Proceeds Fund</u>
\$ 2,092	\$ -	\$ 3	\$ 225,226	\$ -	\$ 2,855
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 2,092</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 225,226</u>	<u>\$ -</u>	<u>\$ 2,855</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,092	-	3	225,226	-	2,855
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,092</u>	<u>-</u>	<u>3</u>	<u>225,226</u>	<u>-</u>	<u>2,855</u>
<u>\$ 2,092</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 225,226</u>	<u>\$ -</u>	<u>\$ 2,855</u>

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

	Debt Service			
	USDA BoA Fund	Taos County Complex Restructuring Fund	County 2012A Bond Fund	County 2012B Bond Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 104,879	\$ 153,080	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable				
Other receivables	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total current assets</i>	<u>\$ 104,879</u>	<u>\$ 153,080</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	104,879	153,080	-	-
Committed for:				
Corrections facility	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>104,879</u>	<u>153,080</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balances</i>	<u>\$ 104,879</u>	<u>\$ 153,080</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

County Educational Bond Fund	Total
\$ 961,384	\$ 10,615,990
-	200,000
530,932	1,200,967
-	28,535
\$ 1,492,316	\$ 12,045,492
\$ -	\$ 73,269
-	27,854
-	101,123
-	28,535
-	2,575,421
-	137,483
-	3,407,897
-	162,423
-	76,336
-	188,579
-	1,086,661
-	1,485,874
1,492,316	2,517,163
-	118,928
-	159,069
1,492,316	11,944,369
\$ 1,492,316	\$ 12,045,492

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

	Special Revenue			
	Health Care Fund	GRT Judicial Complex Fund	Corrections Fund	Property Valuation Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts taxes	\$ 384,054	\$ 614,482	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental:				
State grants	-	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	67,579	240,051
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>384,054</u>	<u>614,482</u>	<u>67,579</u>	<u>240,051</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	167,330
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	83,928	-	-
Interest	-	45,586	-	-
<i>Total expenditures</i>	<u>-</u>	<u>129,514</u>	<u>-</u>	<u>167,330</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>384,054</u>	<u>484,968</u>	<u>67,579</u>	<u>72,721</u>
<i>Other financing sources (uses):</i>				
Proceeds from bonds	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers (out)	(50,000)	(139,178)	(50,000)	-
<i>Total other financing sources (uses)</i>	<u>(50,000)</u>	<u>(139,178)</u>	<u>(50,000)</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>334,054</u>	<u>345,790</u>	<u>17,579</u>	<u>72,721</u>
<i>Fund balances - beginning of year</i>	239,139	986,636	101,349	445,165
<i>Fund balances - restatement (Note 19)</i>	-	-	-	-
<i>Fund balances - as restated</i>	<u>239,139</u>	<u>986,636</u>	<u>101,349</u>	<u>445,165</u>
<i>Fund balances - end of year</i>	<u>\$ 573,193</u>	<u>\$ 1,332,426</u>	<u>\$ 118,928</u>	<u>\$ 517,886</u>

The accompanying notes are an integral part of these financial statements

Special Revenue					
Road Fund	Emergency Medical Services Ambulance Fund	Farm and Range Fund	Fire Protection Fund	Law Enforcement Protection Fund	Lodger's Tax Promotional Fund
\$ 106,179	\$ -	\$ -	\$ -	\$ -	\$ -
190,827	-	-	-	-	97,316
-	-	-	11,760	-	-
262,026	-	1,456	-	-	-
346,135	-	-	-	-	-
-	-	-	6	-	-
9,078	-	-	25,202	7,410	-
<u>914,245</u>	<u>-</u>	<u>1,456</u>	<u>36,968</u>	<u>7,410</u>	<u>97,316</u>
-	-	-	-	-	-
-	39,185	-	299,362	3,894	-
-	-	-	-	-	112,449
-	-	979	-	-	-
1,655,623	-	-	-	-	-
52,542	-	-	309,805	27,517	-
197,668	-	-	35,039	-	-
2,998	-	-	717	-	-
<u>1,908,831</u>	<u>39,185</u>	<u>979</u>	<u>644,923</u>	<u>31,411</u>	<u>112,449</u>
<u>(994,586)</u>	<u>(39,185)</u>	<u>477</u>	<u>(607,955)</u>	<u>(24,001)</u>	<u>(15,133)</u>
-	-	-	-	-	-
988,953	-	-	-	-	-
-	-	-	-	-	-
<u>988,953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(5,633)</u>	<u>(39,185)</u>	<u>477</u>	<u>(607,955)</u>	<u>(24,001)</u>	<u>(15,133)</u>
307,754	55,522	14,182	2,282,146	45,524	91,469
-	-	-	-	-	-
<u>307,754</u>	<u>55,522</u>	<u>14,182</u>	<u>2,282,146</u>	<u>45,524</u>	<u>91,469</u>
<u>\$ 302,121</u>	<u>\$ 16,337</u>	<u>\$ 14,659</u>	<u>\$ 1,674,191</u>	<u>\$ 21,523</u>	<u>\$ 76,336</u>

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

	Special Revenue			
	Lodger's Tax	Recreation	Indigent	Fire Rescue
	Non-Promotional Fund		Health Fund	Excise Tax Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts taxes	\$ -	\$ -	\$ 1,332,018	\$ 441,960
Other taxes	144,523	-	-	-
Intergovernmental:				
State grants	-	-	240,418	-
Federal grants	-	-	-	-
Charges for services	7,557	1,850	-	-
Investment income	-	-	-	358
Miscellaneous	-	-	-	3,426
<i>Total revenues</i>	<u>152,080</u>	<u>1,850</u>	<u>1,572,436</u>	<u>445,744</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	93,821
Culture and recreation	70,916	58,860	-	-
Health and welfare	-	-	1,378,275	-
Public works	-	-	-	-
Capital outlay	-	18,168	-	155,489
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>70,916</u>	<u>77,028</u>	<u>1,378,275</u>	<u>249,310</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>81,164</u>	<u>(75,178)</u>	<u>194,161</u>	<u>196,434</u>
<i>Other financing sources (uses):</i>				
Proceeds from bonds	-	-	-	-
Operating transfers in	-	77,000	-	-
Operating transfers (out)	(122,000)	-	-	(268,453)
<i>Total other financing sources (uses)</i>	<u>(122,000)</u>	<u>77,000</u>	<u>-</u>	<u>(268,453)</u>
<i>Net change in fund balances</i>	<u>(40,836)</u>	<u>1,822</u>	<u>194,161</u>	<u>(72,019)</u>
<i>Fund balances - beginning of year</i>	80,650	2,146	319,307	1,827,215
<i>Fund balances - restatement (Note 19)</i>	-	-	-	-
<i>Fund balances - as restated</i>	<u>80,650</u>	<u>2,146</u>	<u>319,307</u>	<u>1,827,215</u>
<i>Fund balances - end of year</i>	<u>\$ 39,814</u>	<u>\$ 3,968</u>	<u>\$ 513,468</u>	<u>\$ 1,755,196</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Clerk's Recording Fees Fund	Youth Build Fund	Solid Waste Equipment Fund	Taos County Donations Fund	Taos County Grant Match Fund	DWI Program Fund
\$ -	\$ -	\$ 65,539	\$ -	\$ -	\$ -
-	-	-	-	-	-
46,719	-	-	-	-	244,754
-	-	-	-	-	-
-	-	-	-	-	-
-	-	10	-	-	-
-	-	61,162	-	-	-
<u>46,719</u>	<u>-</u>	<u>126,711</u>	<u>-</u>	<u>-</u>	<u>244,754</u>
27,311	-	61,161	-	-	-
-	-	-	-	-	251,257
-	-	-	-	-	-
-	-	-	-	-	-
797	-	-	-	-	-
-	-	37,630	-	-	-
-	-	1,136	-	-	-
<u>28,108</u>	<u>-</u>	<u>99,927</u>	<u>-</u>	<u>-</u>	<u>251,257</u>
18,611	-	26,784	-	-	(6,503)
-	-	-	-	-	-
-	-	175	-	75,000	17,247
-	-	(61,162)	-	(76,458)	(40,000)
<u>-</u>	<u>-</u>	<u>(60,987)</u>	<u>-</u>	<u>(1,458)</u>	<u>(22,753)</u>
<u>18,611</u>	<u>-</u>	<u>(34,203)</u>	<u>-</u>	<u>(1,458)</u>	<u>(29,256)</u>
273,178	-	34,203	2,100	29,685	88,175
-	-	-	-	-	-
<u>273,178</u>	<u>-</u>	<u>34,203</u>	<u>2,100</u>	<u>29,685</u>	<u>88,175</u>
<u>\$ 291,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,100</u>	<u>\$ 28,227</u>	<u>\$ 58,919</u>

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

	Special Revenue			
	DWI Grant Fund	DWI Intake Supervision Fund	DWI Domestic Violence Fund	Juvenile Adjudication GRT Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental:				
State grants	78,272	-	-	13,218
Federal grants	-	-	-	-
Charges for services	-	21,834	2,715	-
Investment income	-	-	-	-
Miscellaneous	-	1,675	-	-
<i>Total revenues</i>	<u>78,272</u>	<u>23,509</u>	<u>2,715</u>	<u>13,218</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	80,593	27,265	-	13,117
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>80,593</u>	<u>27,265</u>	<u>-</u>	<u>13,117</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,321)</u>	<u>(3,756)</u>	<u>2,715</u>	<u>101</u>
<i>Other financing sources (uses):</i>				
Proceeds from bonds	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers (out)	(19,966)	-	-	(14,000)
<i>Total other financing sources (uses)</i>	<u>(19,966)</u>	<u>-</u>	<u>-</u>	<u>(14,000)</u>
<i>Net change in fund balances</i>	<u>(22,287)</u>	<u>(3,756)</u>	<u>2,715</u>	<u>(13,899)</u>
<i>Fund balances - beginning of year</i>	42,917	55,289	9,712	13,959
<i>Fund balances - restatement (Note 19)</i>	-	-	-	-
<i>Fund balances - as restated</i>	<u>42,917</u>	<u>55,289</u>	<u>9,712</u>	<u>13,959</u>
<i>Fund balances - end of year</i>	<u>\$ 20,630</u>	<u>\$ 51,533</u>	<u>\$ 12,427</u>	<u>\$ 60</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

DWI School Fund	Forest Reserve Title III Fund	Fire Districts Discretionary Fund	Taos County Animal Shelter Fund	Inter-Governmental Fund	NMSA Aging-Chamisal Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	462,809	-
-	43,157	-	-	26,459	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	10,397
-	43,157	-	-	489,268	10,397
-	-	-	-	-	-
-	-	4,063	-	160,157	-
-	-	-	-	198	-
-	50,239	-	-	62,081	-
-	4,848	-	-	400,510	10,397
-	-	-	-	-	-
-	-	-	-	-	-
-	55,087	4,063	-	622,946	10,397
-	(11,930)	(4,063)	-	(133,678)	-
-	-	-	-	-	-
-	-	-	-	297,124	-
-	-	-	-	(254,239)	-
-	-	-	-	42,885	-
-	(11,930)	(4,063)	-	(90,793)	-
-	174,353	12,689	-	435,345	-
-	-	-	-	-	-
-	174,353	12,689	-	435,345	-
\$ -	\$ 162,423	\$ 8,626	\$ -	\$ 344,552	\$ -

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

	Capital Projects			
	Capital Enhancement Fund	Amalia Community Center Fund	Admin/Judicial/ Complex Fund	Taos County Complex Construction Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental:				
State grants	-	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	442
Miscellaneous	-	-	-	208,362
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208,804</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	217,849	-	7,732	-
Capital outlay	-	-	-	45,936
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>217,849</u>	<u>-</u>	<u>7,732</u>	<u>45,936</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(217,849)</u>	<u>-</u>	<u>(7,732)</u>	<u>162,868</u>
<i>Other financing sources (uses):</i>				
Proceeds from bonds	-	-	-	-
Operating transfers in	257,475	-	-	-
Operating transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>257,475</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>39,626</u>	<u>-</u>	<u>(7,732)</u>	<u>162,868</u>
<i>Fund balances - beginning of year</i>	2,016	8,425	8,834	1,271,837
<i>Fund balances - restatement (Note 19)</i>	-	-	-	-
<i>Fund balances - as restated</i>	<u>2,016</u>	<u>8,425</u>	<u>8,834</u>	<u>1,271,837</u>
<i>Fund balances - end of year</i>	<u>\$ 41,642</u>	<u>\$ 8,425</u>	<u>\$ 1,102</u>	<u>\$ 1,434,705</u>

The accompanying notes are an integral part of these financial statements

Capital Projects		Debt Service			
CDBG Dist. 5 Penasco Area Fund	USDA	NMDFA Debt Service Fund	Admin/Judicial/ Correctional Complex Fund	2003 Bond Debt Service Fund	Educational Bond Fund
	Rural Business Enterprise GRT Fund				
\$ -	\$ -	\$ -	\$ -	\$ 982	\$ -
-	-	-	-	-	-
394,193	-	-	-	-	-
-	83,090	-	-	-	-
-	-	-	-	-	-
-	-	129	-	67	-
-	-	-	67	-	-
<u>394,193</u>	<u>83,090</u>	<u>129</u>	<u>67</u>	<u>1,049</u>	<u>-</u>
-	-	-	67	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
433,691	83,089	33,229	-	-	-
-	-	-	-	13,000	-
-	-	-	-	32,000	1,000
<u>433,691</u>	<u>83,089</u>	<u>33,229</u>	<u>67</u>	<u>45,000</u>	<u>1,000</u>
<u>(39,498)</u>	<u>1</u>	<u>(33,100)</u>	<u>-</u>	<u>(43,951)</u>	<u>(1,000)</u>
-	-	-	-	-	-
-	-	-	-	45,000	-
-	(83,101)	(209)	-	-	-
-	(83,101)	(209)	-	45,000	-
<u>(39,498)</u>	<u>(83,100)</u>	<u>(33,309)</u>	<u>-</u>	<u>1,049</u>	<u>(1,000)</u>
39,498	83,100	33,317	67	39,255	24,236
-	-	-	-	-	-
<u>39,498</u>	<u>83,100</u>	<u>33,317</u>	<u>67</u>	<u>39,255</u>	<u>24,236</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 67</u>	<u>\$ 40,304</u>	<u>\$ 23,236</u>

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

	Debt Service			
	2004 Educational Bond Series Fund	2007 Refunding Series Fund	Land Purchase Judicial Complex Fund	USDA/RUS Complex Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts taxes	\$ -	\$ 53,736	\$ -	\$ 979,364
Other taxes	-	-	-	-
Intergovernmental:				
State grants	-	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	214,353
Investment income	-	-	-	-
Miscellaneous	-	-	3	-
<i>Total revenues</i>	<u>-</u>	<u>53,736</u>	<u>3</u>	<u>1,193,717</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	756,632
Capital outlay	-	-	-	-
Debt service				
Principal	-	505,000	-	-
Interest	-	183	3	-
<i>Total expenditures</i>	<u>-</u>	<u>505,183</u>	<u>3</u>	<u>756,632</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(451,447)</u>	<u>-</u>	<u>437,085</u>
<i>Other financing sources (uses):</i>				
Proceeds from bonds	-	505,000	-	-
Operating transfers in	-	14	-	-
Operating transfers (out)	-	(2,508,056)	-	(390,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(2,003,042)</u>	<u>-</u>	<u>(390,000)</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>(2,454,489)</u>	<u>-</u>	<u>47,085</u>
<i>Fund balances - beginning of year</i>	222	2,504,956	3	375,320
<i>Fund balances - restatement (Note 19)</i>	-	-	-	-
<i>Fund balances - as restated</i>	<u>222</u>	<u>2,504,956</u>	<u>3</u>	<u>375,320</u>
<i>Fund balances - end of year</i>	<u>\$ 222</u>	<u>\$ 50,467</u>	<u>\$ 3</u>	<u>\$ 422,405</u>

The accompanying notes are an integral part of these financial statements

Debt Service

NMFA Taos Backhoe Fund		NMFA Latir Taos Fund		La Lama Loan Fund		USDA Loan Reserve Fund		NMED SW Loan Fund		USDA Loan Proceeds Fund	
\$	12,422	\$	-	\$	-	\$	-	\$	-	\$	-
	-		-		-		-		-		-
	-		4,670		18,040		-		-		885,635
	-		-		-		-		-		-
	-		-		-		-		-		-
	1		-		4		15		-		7
	-		-		-		-		-		-
	<u>12,423</u>		<u>4,670</u>		<u>18,044</u>		<u>15</u>		<u>-</u>		<u>885,642</u>
	-		-		-		-		-		89,644
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	11,355		4,670		17,479		-		57,976		-
	1,066		-		644		-		4,270		-
	<u>12,421</u>		<u>4,670</u>		<u>18,123</u>		<u>-</u>		<u>62,246</u>		<u>89,644</u>
	2		-		(79)		15		(62,246)		795,998
	-		-		-		-		-		-
	-		-		-		77,212		62,246		-
	-		-		-		-		-		(846,833)
	-		-		-		77,212		62,246		(846,833)
	2		-		(79)		77,227		-		(50,835)
	2,090		46,007		82		147,999		-		53,690
	-		(46,007)		-		-		-		-
	<u>2,090</u>		<u>-</u>		<u>82</u>		<u>147,999</u>		<u>-</u>		<u>53,690</u>
\$	<u>2,092</u>	\$	<u>-</u>	\$	<u>3</u>	\$	<u>225,226</u>	\$	<u>-</u>	\$	<u>2,855</u>

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

	Debt Service			
	USDA BoA Fund	Taos County Complex Restructuring Fund	County 2012A Bond Fund	County 2012B Bond Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts taxes	\$ -	\$ 1,956,107	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental:				
State grants	-	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	29	113	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>29</u>	<u>1,956,220</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	19,753	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	170,000	865,000	2,500,000	-
Interest	605,550	1,205,700	8,056	-
<i>Total expenditures</i>	<u>775,550</u>	<u>2,090,453</u>	<u>2,508,056</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(775,521)</u>	<u>(134,233)</u>	<u>(2,508,056)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Proceeds from bonds	-	-	-	-
Operating transfers in	769,621	146,480	2,508,056	14
Operating transfers (out)	-	-	-	(14)
<i>Total other financing sources (uses)</i>	<u>769,621</u>	<u>146,480</u>	<u>2,508,056</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>(5,900)</u>	<u>12,247</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	110,779	140,833	-	-
<i>Fund balances - restatement (Note 19)</i>	-	-	-	-
<i>Fund balances - as restated</i>	<u>110,779</u>	<u>140,833</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 104,879</u>	<u>\$ 153,080</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

<u>Debt Service</u>	
<u>County Educational Bond Fund</u>	<u>Total</u>
\$ 1,492,316	\$ 7,439,159
-	432,666
-	2,400,488
-	416,188
-	902,074
-	1,181
-	326,782
<u>1,492,316</u>	<u>11,918,538</u>
-	365,266
-	972,714
-	242,423
-	1,379,254
-	2,750,156
-	1,576,018
-	4,498,745
-	1,908,909
-	<u>13,693,485</u>
<u>1,492,316</u>	<u>(1,774,947)</u>
-	505,000
-	5,321,617
-	<u>(4,923,669)</u>
-	<u>902,948</u>
<u>1,492,316</u>	<u>(871,999)</u>
-	12,862,375
-	<u>(46,007)</u>
-	<u>12,816,368</u>
<u>\$ 1,492,316</u>	<u>\$ 11,944,369</u>

STATE OF NEW MEXICO

Statement B-1

Taos County

Health Care Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 359,500	\$ 359,500	\$ 378,448	\$ 18,948
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>359,500</u>	<u>359,500</u>	<u>378,448</u>	<u>18,948</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>359,500</u>	<u>359,500</u>	<u>378,448</u>	<u>18,948</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(200,000)	(200,000)	(50,000)	150,000
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(159,500)	(159,500)	-	159,500
<i>Total other financing sources (uses)</i>	<u>(359,500)</u>	<u>(359,500)</u>	<u>(50,000)</u>	<u>309,500</u>
<i>Net change in fund balances</i>	-	-	328,448	328,448
<i>Fund balances - beginning of year</i>	-	-	178,981	178,981
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 507,429</u>	<u>\$ 507,429</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 328,448
Adjustments to revenues for gross receipts				5,606
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 334,054</u>

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

STATE OF NEW MEXICO

Statement B-2

Taos County

GRT Judicial Complex Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 252,950	\$ 527,726	\$ 589,824	\$ 62,098
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>252,950</u>	<u>527,726</u>	<u>589,824</u>	<u>62,098</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	50,000	50,000	-	50,000
Education	-	-	-	-
Capital outlay	135,000	135,000	-	135,000
Debt service				
Principal	83,928	83,928	83,928	-
Interest	45,586	45,586	45,586	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>314,514</u>	<u>314,514</u>	<u>129,514</u>	<u>185,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(61,564)</u>	<u>213,212</u>	<u>460,310</u>	<u>247,098</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(101,870)	(139,178)	(37,308)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	61,564	(111,342)	-	111,342
<i>Total other financing sources (uses)</i>	<u>61,564</u>	<u>(213,212)</u>	<u>(139,178)</u>	<u>74,034</u>
<i>Net change in fund balances</i>	-	-	321,132	321,132
<i>Fund balances - beginning of year</i>	-	-	968,511	968,511
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,289,643</u>	<u>\$ 1,289,643</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 321,132
Adjustments to revenues for gross receipts taxes				24,658
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 345,790</u>

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

STATE OF NEW MEXICO

Statement B-3

Taos County

Corrections Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	56,000	56,000	80,888	24,888
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>56,000</u>	<u>56,000</u>	<u>80,888</u>	<u>24,888</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>56,000</u>	<u>56,000</u>	<u>80,888</u>	<u>24,888</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(50,000)	(50,000)	(50,000)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(6,000)	(6,000)	-	6,000
<i>Total other financing sources (uses)</i>	<u>(56,000)</u>	<u>(56,000)</u>	<u>(50,000)</u>	<u>6,000</u>
<i>Net change in fund balances</i>	-	-	30,888	30,888
<i>Fund balances - beginning of year</i>	-	-	88,040	88,040
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,928</u>	<u>\$ 118,928</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 30,888
Adjustments to revenues for corrections fee's				(13,309)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 17,579</u>

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

STATE OF NEW MEXICO

Statement B-4

Taos County

Property Valuation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	200,000	200,000	240,051	40,051
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>200,000</u>	<u>200,000</u>	<u>240,051</u>	<u>40,051</u>
<i>Expenditures:</i>				
Current				
General Government	588,240	588,240	167,398	420,842
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	60,000	60,000	-	60,000
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>648,240</u>	<u>648,240</u>	<u>167,398</u>	<u>480,842</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(448,240)</u>	<u>(448,240)</u>	<u>72,653</u>	<u>520,893</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	448,240	448,240	-	(448,240)
<i>Total other financing sources (uses)</i>	<u>448,240</u>	<u>448,240</u>	<u>-</u>	<u>(448,240)</u>
<i>Net change in fund balances</i>	-	-	72,653	72,653
<i>Fund balances - beginning of year</i>	-	-	448,240	448,240
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 520,893</u>	<u>\$ 520,893</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 72,653
No adjustments to revenues				-
Adjustments to expenditures for general government				68
<i>Net change in fund balance (GAAP)</i>				<u>\$ 72,721</u>

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

STATE OF NEW MEXICO

Statement B-5

Taos County

Road Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 266,000	\$ 266,000	\$ 259,821	\$ (6,179)
Intergovernmental	232,500	262,026	262,026	-
Licenses and fees	343,000	343,000	427,329	84,329
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	950	950
<i>Total revenues</i>	<u>841,500</u>	<u>871,026</u>	<u>950,126</u>	<u>79,100</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	1,787,848	1,825,866	1,646,714	179,152
Education	-	-	-	-
Capital outlay	95,600	95,600	52,542	43,058
Debt service				
Principal	249,722	225,722	204,099	21,623
Interest	2,998	2,998	2,998	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,136,168</u>	<u>2,150,186</u>	<u>1,906,353</u>	<u>243,833</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,294,668)</u>	<u>(1,279,160)</u>	<u>(956,227)</u>	<u>322,933</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	1,253,853	1,229,853	988,953	(240,900)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	40,815	49,307	-	(49,307)
<i>Total other financing sources (uses)</i>	<u>1,294,668</u>	<u>1,279,160</u>	<u>988,953</u>	<u>(290,207)</u>
<i>Net change in fund balances</i>	-	-	32,726	32,726
<i>Fund balances - beginning of year</i>	-	-	218,824	218,824
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,550</u>	<u>\$ 251,550</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 32,726
Adjustments to revenues for taxes				(35,881)
Adjustments to expenditures for public works				(2,478)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (5,633)</u>

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

STATE OF NEW MEXICO

Statement B-6

Taos County

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

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	37,679	37,679	32,767	(4,912)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>37,679</u>	<u>37,679</u>	<u>32,767</u>	<u>(4,912)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	50,611	50,411	32,306	18,105
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>50,611</u>	<u>50,411</u>	<u>32,306</u>	<u>18,105</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(12,932)</u>	<u>(12,732)</u>	<u>461</u>	<u>13,193</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	12,932	12,732	-	(12,732)
<i>Total other financing sources (uses)</i>	<u>12,932</u>	<u>12,732</u>	<u>-</u>	<u>(12,732)</u>
<i>Net change in fund balances</i>	-	-	461	461
<i>Fund balances - beginning of year</i>	-	-	17,843	17,843
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,304</u>	<u>\$ 18,304</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 461
Adjustments to revenues for taxes				(37,679)
Adjustments to expenditures for public safety				(1,967)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (39,185)</u>

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

STATE OF NEW MEXICO

Statement B-7

Taos County

Farm And Range Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,200	1,200	1,456	256
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,200</u>	<u>1,200</u>	<u>1,456</u>	<u>256</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	15,382	15,382	-	15,382
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>15,382</u>	<u>15,382</u>	<u>-</u>	<u>15,382</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(14,182)</u>	<u>(14,182)</u>	<u>1,456</u>	<u>15,638</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	14,182	14,182	-	(14,182)
<i>Total other financing sources (uses)</i>	<u>14,182</u>	<u>14,182</u>	<u>-</u>	<u>(14,182)</u>
<i>Net change in fund balances</i>	-	-	1,456	1,456
<i>Fund balances - beginning of year</i>	-	-	14,182	14,182
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,638</u>	<u>\$ 15,638</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 1,456
No adjustments to revenues				-
Adjustments to expenditures for health and welfare				(979)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 477</u>

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

STATE OF NEW MEXICO

Statement B-8

Taos County

Fire Protection Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	667,761	667,761	667,800	39
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	6	6
Miscellaneous	25,182	156,179	25,202	(130,977)
<i>Total revenues</i>	<u>692,943</u>	<u>823,940</u>	<u>693,008</u>	<u>(130,932)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	835,289	835,289	289,990	545,299
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	1,435,015	1,257,390	309,805	947,585
Debt service				
Principal	35,039	35,039	35,039	-
Interest	3,345	6,009	717	5,292
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,308,688</u>	<u>2,133,727</u>	<u>635,551</u>	<u>1,498,176</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,615,745)</u>	<u>(1,309,787)</u>	<u>57,457</u>	<u>1,367,244</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(180,289)	-	180,289
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	1,615,745	1,490,076	-	(1,490,076)
<i>Total other financing sources (uses)</i>	<u>1,615,745</u>	<u>1,309,787</u>	<u>-</u>	<u>(1,309,787)</u>
<i>Net change in fund balances</i>	-	-	57,457	57,457
<i>Fund balances - beginning of year</i>	-	-	1,615,773	1,615,773
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,673,230</u>	<u>\$ 1,673,230</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 57,457
Adjustments to revenues for intergovernmental activity				(656,040)
Adjustments to expenditures for public safety and capital outlay				(9,372)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (607,955)</u>

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

STATE OF NEW MEXICO

Statement B-9

Taos County

Law Enforcement Protection Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	40,800	40,800	40,800	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	7,410	7,410	-
<i>Total revenues</i>	<u>40,800</u>	<u>48,210</u>	<u>48,210</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	4,724	4,724	3,894	830
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	40,800	48,210	27,517	20,693
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>45,524</u>	<u>52,934</u>	<u>31,411</u>	<u>21,523</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,724)</u>	<u>(4,724)</u>	<u>16,799</u>	<u>21,523</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	4,724	4,724	-	(4,724)
<i>Total other financing sources (uses)</i>	<u>4,724</u>	<u>4,724</u>	<u>-</u>	<u>(4,724)</u>
<i>Net change in fund balances</i>	-	-	16,799	16,799
<i>Fund balances - beginning of year</i>	-	-	4,724	4,724
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,523</u>	<u>\$ 21,523</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 16,799
Adjustments to revenues for intergovernmental activity				(40,800)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (24,001)</u>

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

STATE OF NEW MEXICO

Statement B-10

Taos County

Lodger's Tax Promotional Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 85,000	\$ 85,000	\$ 111,199	\$ 26,199
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	100	100	-	(100)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>85,100</u>	<u>85,100</u>	<u>111,199</u>	<u>26,099</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	151,999	151,999	112,449	39,550
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>151,999</u>	<u>151,999</u>	<u>112,449</u>	<u>39,550</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(66,899)</u>	<u>(66,899)</u>	<u>(1,250)</u>	<u>65,649</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	66,899	66,899	-	(66,899)
<i>Total other financing sources (uses)</i>	<u>66,899</u>	<u>66,899</u>	<u>-</u>	<u>(66,899)</u>
<i>Net change in fund balances</i>	-	-	(1,250)	(1,250)
<i>Fund balances - beginning of year</i>	-	-	66,899	66,899
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,649</u>	<u>\$ 65,649</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (1,250)
Adjustments to revenues for taxes				(13,883)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (15,133)</u>

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

STATE OF NEW MEXICO

Statement B-11

Taos County

Lodger's Tax Non-Promotional Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non - GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 158,500	\$ 158,500	\$ 166,798	\$ 8,298
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	8,000	8,000	7,557	(443)
Investment income	25	25	-	(25)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>166,525</u>	<u>166,525</u>	<u>174,355</u>	<u>7,830</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	86,432	86,432	62,275	24,157
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>86,432</u>	<u>86,432</u>	<u>62,275</u>	<u>24,157</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>80,093</u>	<u>80,093</u>	<u>112,080</u>	<u>31,987</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(125,000)	(125,000)	(122,000)	3,000
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	44,907	44,907	-	(44,907)
<i>Total other financing sources (uses)</i>	<u>(80,093)</u>	<u>(80,093)</u>	<u>(122,000)</u>	<u>(41,907)</u>
<i>Net change in fund balances</i>	-	-	(9,920)	(9,920)
<i>Fund balances - beginning of year</i>	-	-	44,910	44,910
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,990</u>	<u>\$ 34,990</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (9,920)
Adjustments to revenues for taxes				(22,275)
Adjustments to expenditures for culture and recreation				(8,641)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (40,836)</u>

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

STATE OF NEW MEXICO

Statement B-12

Taos County

Recreation Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	2,000	2,000	3,175	1,175
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,000</u>	<u>2,000</u>	<u>3,175</u>	<u>1,175</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	64,175	64,175	59,080	5,095
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	20,000	20,000	18,168	1,832
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>84,175</u>	<u>84,175</u>	<u>77,248</u>	<u>6,927</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(82,175)</u>	<u>(82,175)</u>	<u>(74,073)</u>	<u>8,102</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	80,000	80,000	77,000	(3,000)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	2,175	2,175	-	(2,175)
<i>Total other financing sources (uses)</i>	<u>82,175</u>	<u>82,175</u>	<u>77,000</u>	<u>(5,175)</u>
<i>Net change in fund balances</i>	-	-	2,927	2,927
<i>Fund balances - beginning of year</i>	-	-	2,176	2,176
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,103</u>	<u>\$ 5,103</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 2,927
Adjustments to revenues for charges for service				(1,325)
Adjustments to expenditures for capital outlay				220
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1,822</u>

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

STATE OF NEW MEXICO

Statement B-13

Taos County

Indigent Health Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 1,127,000	\$ 1,127,000	\$ 1,135,080	\$ 8,080
Intergovernmental	405,000	405,000	419,981	14,981
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,532,000</u>	<u>1,532,000</u>	<u>1,555,061</u>	<u>23,061</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,532,543	1,582,543	1,448,290	134,253
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>1,532,543</u>	<u>1,582,543</u>	<u>1,448,290</u>	<u>134,253</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(543)</u>	<u>(50,543)</u>	<u>106,771</u>	<u>157,314</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	543	50,543	-	(50,543)
<i>Total other financing sources (uses)</i>	<u>543</u>	<u>50,543</u>	<u>-</u>	<u>(50,543)</u>
<i>Net change in fund balances</i>	-	-	106,771	106,771
<i>Fund balances - beginning of year</i>	-	-	208,820	208,820
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,591</u>	<u>\$ 315,591</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 106,771
Adjustments to revenues for taxes				17,375
Adjustments to expenditures for health and welfare				<u>70,015</u>
<i>Net change in fund balance (GAAP)</i>				<u>\$ 194,161</u>

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

STATE OF NEW MEXICO

Statement B-14

Taos County

Fire Rescue Excise Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 396,000	\$ 396,000	\$ 430,086	\$ 34,086
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	358	358
Miscellaneous	-	3,427	3,426	(1)
<i>Total revenues</i>	<u>396,000</u>	<u>399,427</u>	<u>433,870</u>	<u>34,443</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	591,067	556,993	87,495	469,498
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	1,176,154	1,213,654	151,639	1,062,015
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>1,767,221</u>	<u>1,770,647</u>	<u>239,134</u>	<u>1,531,513</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,371,221)</u>	<u>(1,371,220)</u>	<u>194,736</u>	<u>1,565,956</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(385,907)	(385,907)	(268,453)	117,454
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	1,757,128	1,757,127	-	(1,757,127)
<i>Total other financing sources (uses)</i>	<u>1,371,221</u>	<u>1,371,220</u>	<u>(268,453)</u>	<u>(1,639,673)</u>
<i>Net change in fund balances</i>	-	-	(73,717)	(73,717)
<i>Fund balances - beginning of year</i>	-	-	1,757,127	1,757,127
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,683,410</u>	<u>\$ 1,683,410</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (73,717)
Adjustments to revenues for taxes				11,874
Adjustments to expenditures for capital outlay				(10,176)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (72,019)</u>

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

STATE OF NEW MEXICO

Statement B-15

Taos County

Clerk's Recording Fees Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	40,000	40,000	55,595	15,595
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>40,000</u>	<u>40,000</u>	<u>55,595</u>	<u>15,595</u>
<i>Expenditures:</i>				
Current				
General Government	282,302	282,302	27,311	254,991
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	22,000	22,000	797	21,203
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>304,302</u>	<u>304,302</u>	<u>28,108</u>	<u>276,194</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(264,302)</u>	<u>(264,302)</u>	<u>27,487</u>	<u>291,789</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	264,302	264,302	-	(264,302)
<i>Total other financing sources (uses)</i>	<u>264,302</u>	<u>264,302</u>	<u>-</u>	<u>(264,302)</u>
<i>Net change in fund balances</i>	-	-	27,487	27,487
<i>Fund balances - beginning of year</i>	-	-	264,302	264,302
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 291,789</u>	<u>\$ 291,789</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 27,487
Adjustments to revenues for intergovernmental activity				(8,876)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 18,611</u>

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

STATE OF NEW MEXICO

Statement B-16

Taos County

Youth Build Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	160,000	160,000	-	(160,000)
<i>Total revenues</i>	<u>160,000</u>	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>160,000</u>	<u>160,000</u>	<u>-</u>	<u>(160,000)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(160,000)	(160,000)	-	160,000
<i>Total other financing sources (uses)</i>	<u>(160,000)</u>	<u>(160,000)</u>	<u>-</u>	<u>160,000</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-17

Taos County

Solid Waste Equipment Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 38,772	\$ 68,772	\$ 65,539	\$ (3,233)
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	25	25	10	(15)
Miscellaneous	-	-	61,162	61,162
<i>Total revenues</i>	<u>38,797</u>	<u>68,797</u>	<u>126,711</u>	<u>57,914</u>
<i>Expenditures:</i>				
Current				
General Government	-	64,000	61,161	2,839
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	37,630	37,630	37,630	-
Interest	1,136	1,136	1,136	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>38,766</u>	<u>102,766</u>	<u>99,927</u>	<u>2,839</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>31</u>	<u>(33,969)</u>	<u>26,784</u>	<u>60,753</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	175	175
Operating transfers (out)	-	-	(61,162)	(61,162)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(31)	33,969	-	(33,969)
<i>Total other financing sources (uses)</i>	<u>(31)</u>	<u>33,969</u>	<u>(60,987)</u>	<u>(94,956)</u>
<i>Net change in fund balances</i>	-	-	(34,203)	(34,203)
<i>Fund balances - beginning of year</i>	-	-	34,203	34,203
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (34,203)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (34,203)</u>

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

STATE OF NEW MEXICO

Statement B-18

Taos County

Taos County Donations Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	2,100	2,100	-	2,100
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,100</u>	<u>2,100</u>	<u>-</u>	<u>2,100</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,100)</u>	<u>(2,100)</u>	<u>-</u>	<u>2,100</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	2,100	2,100	-	-
<i>Total other financing sources (uses)</i>	<u>2,100</u>	<u>2,100</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	2,100	2,100
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,100</u>	<u>\$ 2,100</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-19

Taos County

Taos County Grant Match Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	75,000	75,000	75,000	-
Operating transfers (out)	-	(75,058)	(76,458)	(1,400)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(75,000)	58	-	(58)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(1,458)</u>	<u>(1,458)</u>
<i>Net change in fund balances</i>	-	-	(1,458)	(1,458)
<i>Fund balances - beginning of year</i>	-	-	29,685	29,685
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,227</u>	<u>\$ 28,227</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (1,458)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (1,458)</u>

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

STATE OF NEW MEXICO

Statement B-20

Taos County

DWI Program Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	238,720	263,671	223,511	(40,160)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>238,720</u>	<u>263,671</u>	<u>223,511</u>	<u>(40,160)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	238,720	263,671	252,466	11,205
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>238,720</u>	<u>263,671</u>	<u>252,466</u>	<u>11,205</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(28,955)</u>	<u>(28,955)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	45,000	62,247	17,247	(45,000)
Operating transfers (out)	(120,000)	(137,247)	(40,000)	97,247
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	75,000	75,000	-	(75,000)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(22,753)</u>	<u>(22,753)</u>
<i>Net change in fund balances</i>	-	-	(51,708)	(51,708)
<i>Fund balances - beginning of year</i>	-	-	90,462	90,462
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,754</u>	<u>\$ 38,754</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (51,708)
Adjustments to revenues for intergovernmental activity				21,243
Adjustments to expenditures for public safety				1,209
<i>Net change in fund balance (GAAP)</i>				<u>\$ (29,256)</u>

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

STATE OF NEW MEXICO

Statement B-21

Taos County

DWI Grant Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	65,000	90,250	91,035	785
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>65,000</u>	<u>90,250</u>	<u>91,035</u>	<u>785</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	65,000	90,250	81,945	8,305
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>65,000</u>	<u>90,250</u>	<u>81,945</u>	<u>8,305</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>9,090</u>	<u>9,090</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(19,967)	(19,966)	(19,966)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	19,967	19,966	-	(19,966)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(19,966)</u>	<u>(19,966)</u>
<i>Net change in fund balances</i>	-	-	(10,876)	(10,876)
<i>Fund balances - beginning of year</i>	-	-	19,966	19,966
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,090</u>	<u>\$ 9,090</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (10,876)
Adjustments to revenues for intergovernmental activity				(12,763)
Adjustments to expenditures for public safety				1,352
<i>Net change in fund balance (GAAP)</i>				<u>\$ (22,287)</u>

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

STATE OF NEW MEXICO

Statement B-22

Taos County

DWI Intake Supervision Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	29,200	29,200	28,150	(1,050)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	5,000	5,000	1,675	(3,325)
<i>Total revenues</i>	<u>34,200</u>	<u>34,200</u>	<u>29,825</u>	<u>(4,375)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	51,030	51,030	26,082	24,948
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	32,324	32,324	-	32,324
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>83,354</u>	<u>83,354</u>	<u>26,082</u>	<u>57,272</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(49,154)</u>	<u>(49,154)</u>	<u>3,743</u>	<u>52,897</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	49,154	49,154	-	(49,154)
<i>Total other financing sources (uses)</i>	<u>49,154</u>	<u>49,154</u>	<u>-</u>	<u>(49,154)</u>
<i>Net change in fund balances</i>	-	-	3,743	3,743
<i>Fund balances - beginning of year</i>	-	-	49,156	49,156
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,899</u>	<u>\$ 52,899</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 3,743
Adjustments to revenues for licenses and fees				(6,316)
Adjustments to expenditures for public safety				(1,183)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (3,756)</u>

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

STATE OF NEW MEXICO

Statement B-23

Taos County

DWI Domestic Violence Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	4,900	4,900	3,525	(1,375)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,900</u>	<u>4,900</u>	<u>3,525</u>	<u>(1,375)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	13,802	13,802	-	13,802
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>13,802</u>	<u>13,802</u>	<u>-</u>	<u>13,802</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(8,902)</u>	<u>(8,902)</u>	<u>3,525</u>	<u>12,427</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	8,902	8,902	-	(8,902)
<i>Total other financing sources (uses)</i>	<u>8,902</u>	<u>8,902</u>	<u>-</u>	<u>(8,902)</u>
<i>Net change in fund balances</i>	-	-	3,525	3,525
<i>Fund balances - beginning of year</i>	-	-	8,902	8,902
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,427</u>	<u>\$ 12,427</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 3,525
Adjustments to revenues for licenses and fees				(810)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 2,715</u>

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

STATE OF NEW MEXICO

Statement B-24

Taos County

Juvenile Adjudication GRT Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,295	19,295	18,147	(1,148)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>19,295</u>	<u>19,295</u>	<u>18,147</u>	<u>(1,148)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	14,919	14,919	13,710	1,209
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>14,919</u>	<u>14,919</u>	<u>13,710</u>	<u>1,209</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,376</u>	<u>4,376</u>	<u>4,437</u>	<u>61</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	14,000	14,000	-	(14,000)
Operating transfers (out)	(14,000)	(14,000)	(14,000)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(4,376)	(4,376)	-	4,376
<i>Total other financing sources (uses)</i>	<u>(4,376)</u>	<u>(4,376)</u>	<u>(14,000)</u>	<u>(9,624)</u>
<i>Net change in fund balances</i>	-	-	(9,563)	(9,563)
<i>Fund balances - beginning of year</i>	-	-	9,623	9,623
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60</u>	<u>\$ 60</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (9,563)
Adjustments to revenues for intergovernmental activity				(4,929)
Adjustments to expenditures for public safety				593
<i>Net change in fund balance (GAAP)</i>				<u>\$ (13,899)</u>

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

STATE OF NEW MEXICO

Statement B-25

Taos County

DWI School Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2	2	-	(2)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(2)	(2)	-	2
<i>Total other financing sources (uses)</i>	<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>2</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-26

Taos County

Forest Reserve Title III Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	38,308	43,187	43,157	(30)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>38,308</u>	<u>43,187</u>	<u>43,157</u>	<u>(30)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	192,647	197,496	53,971	143,525
Education	-	-	-	-
Capital outlay	25,197	25,197	4,848	20,349
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>217,844</u>	<u>222,693</u>	<u>58,819</u>	<u>163,874</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(179,536)</u>	<u>(179,506)</u>	<u>(15,662)</u>	<u>163,844</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	179,536	179,506	-	(179,506)
<i>Total other financing sources (uses)</i>	<u>179,536</u>	<u>179,506</u>	<u>-</u>	<u>(179,506)</u>
<i>Net change in fund balances</i>	-	-	(15,662)	(15,662)
<i>Fund balances - beginning of year</i>	-	-	179,536	179,536
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,874</u>	<u>\$ 163,874</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (15,662)
No adjustments to revenues				-
Adjustments to expenditures for public works				<u>3,732</u>
<i>Net change in fund balance (GAAP)</i>				<u>\$ (11,930)</u>

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

STATE OF NEW MEXICO

Statement B-27

Taos County

Fire Districts Discretionary Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	12,687	12,687	4,063	8,624
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>12,687</u>	<u>12,687</u>	<u>4,063</u>	<u>8,624</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(12,687)</u>	<u>(12,687)</u>	<u>(4,063)</u>	<u>8,624</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	12,687	12,687	-	(12,687)
<i>Total other financing sources (uses)</i>	<u>12,687</u>	<u>12,687</u>	<u>-</u>	<u>(12,687)</u>
<i>Net change in fund balances</i>	-	-	(4,063)	(4,063)
<i>Fund balances - beginning of year</i>	-	-	12,689	12,689
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,626</u>	<u>\$ 8,626</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (4,063)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (4,063)</u>

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

STATE OF NEW MEXICO

Statement B-28

Taos County

Taos County Animal Shelter Special Revenue Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (Non - GAAP Budgetary Basis) and Actual
For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5	50	-	(50)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	5	50	-	(50)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	5	50	-	50
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	5	50	-	50
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balance (non-GAAP budgetary basis)</i>			\$	-
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>			\$	-

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

STATE OF NEW MEXICO

Statement B-29

Taos County

Intergovernmental Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	610,507	1,388,092	531,553	(856,539)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>610,507</u>	<u>1,388,092</u>	<u>531,553</u>	<u>(856,539)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	173,746	391,729	159,579	232,150
Culture and recreation	198	198	198	-
Health and welfare	-	-	-	-
Public works	2,180	79,557	61,736	17,821
Education	-	-	-	-
Capital outlay	532,912	839,425	400,510	438,915
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>709,036</u>	<u>1,310,909</u>	<u>622,023</u>	<u>688,886</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(98,529)</u>	<u>77,183</u>	<u>(90,470)</u>	<u>(167,653)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	198,929	297,124	98,195
Operating transfers (out)	(283,264)	(405,635)	(254,239)	151,396
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	381,793	129,523	-	(129,523)
<i>Total other financing sources (uses)</i>	<u>98,529</u>	<u>(77,183)</u>	<u>42,885</u>	<u>120,068</u>
<i>Net change in fund balances</i>	-	-	(47,585)	(47,585)
<i>Fund balances - beginning of year</i>	-	-	390,758	390,758
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 343,173</u>	<u>\$ 343,173</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (47,585)
Adjustments to revenues for intergovernmental activity				(42,285)
Adjustments to expenditures for public safety				(923)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (90,793)</u>

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

STATE OF NEW MEXICO

Statement B-30

Taos County

NMSA Aging-Chamisal Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	9,283	9,283	-
<i>Total revenues</i>	-	9,283	9,283	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	9,283	9,283	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	9,283	9,283	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				\$ -

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

STATE OF NEW MEXICO

Statement B-31

Taos County

Educational Bond Capital Project Fund (Major)

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,962,215	2,962,215	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	5	5	6	1
Miscellaneous	-	-	248	248
<i>Total revenues</i>	<u>5</u>	<u>2,962,220</u>	<u>2,962,469</u>	<u>249</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	187,381	2,892,245	195,281	2,696,964
Capital outlay	15,045	15,045	-	15,045
Debt service	-	-	-	-
Principal	-	257,337	-	257,337
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>202,426</u>	<u>3,164,627</u>	<u>195,281</u>	<u>2,969,346</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(202,421)</u>	<u>(202,407)</u>	<u>2,767,188</u>	<u>2,969,595</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	18,409	18,409	-
Operating transfers (out)	-	(24,750)	(18,423)	6,327
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	202,421	208,748	-	(208,748)
<i>Total other financing sources (uses)</i>	<u>202,421</u>	<u>202,407</u>	<u>(14)</u>	<u>(202,421)</u>
<i>Net change in fund balances</i>	-	-	2,767,174	2,767,174
<i>Fund balances - beginning of year</i>	-	-	202,426	202,426
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,969,600</u>	<u>\$ 2,969,600</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 2,767,174
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 2,767,174</u>

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

STATE OF NEW MEXICO

Statement B-32

Taos County

Capital Enhancement Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	295,800	218,626	215,349	3,277
Education	-	-	-	-
Capital outlay	289,736	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>585,536</u>	<u>218,626</u>	<u>215,349</u>	<u>3,277</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(585,536)</u>	<u>(218,626)</u>	<u>(215,349)</u>	<u>3,277</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	583,521	219,475	257,475	38,000
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	2,015	(849)	-	849
<i>Total other financing sources (uses)</i>	<u>585,536</u>	<u>218,626</u>	<u>257,475</u>	<u>38,849</u>
<i>Net change in fund balances</i>	-	-	42,126	42,126
<i>Fund balances - beginning of year</i>	-	-	2,016	2,016
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,142</u>	<u>\$ 44,142</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 42,126
No adjustments to revenues				-
Adjustments to expenditures for public works				(2,500)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 39,626</u>

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

STATE OF NEW MEXICO

Statement B-33

Taos County

Amalia Community Center Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	8,425	8,425	-	8,425
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>8,425</u>	<u>8,425</u>	<u>-</u>	<u>8,425</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(8,425)</u>	<u>(8,425)</u>	<u>-</u>	<u>8,425</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	8,425	8,425	-	(8,425)
<i>Total other financing sources (uses)</i>	<u>8,425</u>	<u>8,425</u>	<u>-</u>	<u>(8,425)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	8,425	8,425
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,425</u>	<u>\$ 8,425</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-34

Taos County

Admin/Judicial Complex Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	9,349	9,349	9,050	299
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>9,349</u>	<u>9,349</u>	<u>9,050</u>	<u>299</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(9,349)</u>	<u>(9,349)</u>	<u>(9,050)</u>	<u>299</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	9,349	9,349	-	(9,349)
<i>Total other financing sources (uses)</i>	<u>9,349</u>	<u>9,349</u>	<u>-</u>	<u>(9,349)</u>
<i>Net change in fund balances</i>	-	-	(9,050)	(9,050)
<i>Fund balances - beginning of year</i>	-	-	10,152	10,152
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,102</u>	<u>\$ 1,102</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (9,050)
No adjustments to revenues				-
Adjustments to expenditures for public works				<u>1,318</u>
<i>Net change in fund balance (GAAP)</i>				<u>\$ (7,732)</u>

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

STATE OF NEW MEXICO

Statement B-35

Taos County

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

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	442	442
Miscellaneous	-	208,362	208,362	-
<i>Total revenues</i>	-	208,362	208,804	442
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	584	584	-	584
Education	-	-	-	-
Capital outlay	1,271,253	1,271,253	45,936	1,225,317
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	1,271,837	1,271,837	45,936	1,225,901
<i>Excess (deficiency) of revenues over expenditures</i>	(1,271,837)	(1,063,475)	162,868	1,226,343
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	1,271,837	1,063,475	-	(1,063,475)
<i>Total other financing sources (uses)</i>	1,271,837	1,063,475	-	(1,063,475)
<i>Net change in fund balances</i>	-	-	162,868	162,868
<i>Fund balances - beginning of year</i>	-	-	1,271,837	1,271,837
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,434,705	\$ 1,434,705
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 162,868
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				\$ 162,868

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

STATE OF NEW MEXICO

Statement B-36

Taos County

CDBG Dist. 5 Penasco Area Capital Projects Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget (Non - GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	400,000	400,000	394,193	(5,807)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>400,000</u>	<u>400,000</u>	<u>394,193</u>	<u>(5,807)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	439,498	439,498	433,691	5,807
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>439,498</u>	<u>439,498</u>	<u>433,691</u>	<u>5,807</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(39,498)</u>	<u>(39,498)</u>	<u>(39,498)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	39,498	39,498	-	(39,498)
<i>Total other financing sources (uses)</i>	<u>39,498</u>	<u>39,498</u>	<u>-</u>	<u>(39,498)</u>
<i>Net change in fund balances</i>	-	-	(39,498)	(39,498)
<i>Fund balances - beginning of year</i>	-	-	39,498	39,498
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (39,498)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (39,498)</u>

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

STATE OF NEW MEXICO

Statement B-37

Taos County

USDA Rural Business Enterprise GRT Capital Projects Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget (Non - GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	83,100	83,100	83,090	(10)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>83,100</u>	<u>83,100</u>	<u>83,090</u>	<u>(10)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	83,100	83,100	83,089	11
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>83,100</u>	<u>83,100</u>	<u>83,089</u>	<u>11</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(83,100)	(83,100)	(83,101)	(1)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	83,100	83,100	-	(83,100)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(83,101)</u>	<u>(83,101)</u>
<i>Net change in fund balances</i>	-	-	(83,100)	(83,100)
<i>Fund balances - beginning of year</i>	-	-	83,100	83,100
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (83,100)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (83,100)</u>

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

STATE OF NEW MEXICO

Statement B-38

Taos County

NMFA Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	145	145	129	(16)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>145</u>	<u>145</u>	<u>129</u>	<u>(16)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	180,289	33,229	147,060
Debt service	-	-	-	-
Principal	-	181,361	-	181,361
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>361,650</u>	<u>33,229</u>	<u>328,421</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>145</u>	<u>(361,505)</u>	<u>(33,100)</u>	<u>328,405</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	361,650	-	(361,650)
Operating transfers (out)	-	-	(209)	(209)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(145)	(145)	-	145
<i>Total other financing sources (uses)</i>	<u>(145)</u>	<u>361,505</u>	<u>(209)</u>	<u>(361,714)</u>
<i>Net change in fund balances</i>	-	-	(33,309)	(33,309)
<i>Fund balances - beginning of year</i>	-	-	33,317	33,317
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ 8</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (33,309)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (33,309)</u>

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

STATE OF NEW MEXICO

Statement B-39

Taos County

Admin/Judicial/Correctional Complex Debt Service Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget (Non - GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	67	67
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>67</u>	<u>67</u>
<i>Expenditures:</i>				
Current				
General Government	-	67	67	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>67</u>	<u>67</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(67)</u>	<u>-</u>	<u>67</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	67	-	(67)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>67</u>	<u>-</u>	<u>(67)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	67	67
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67</u>	<u>\$ 67</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-40

Taos County

2003 Bond Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 2,000	\$ 2,000	\$ 1,220	\$ (780)
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	100	100	62	(38)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,100</u>	<u>2,100</u>	<u>1,282</u>	<u>(818)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	24,721	24,721	-	24,721
Debt service				
Principal	13,000	13,000	13,000	-
Interest	32,000	32,000	32,000	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>69,721</u>	<u>69,721</u>	<u>45,000</u>	<u>24,721</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(67,621)</u>	<u>(67,621)</u>	<u>(43,718)</u>	<u>23,903</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	45,000	45,000	45,000	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	22,621	22,621	-	(22,621)
<i>Total other financing sources (uses)</i>	<u>67,621</u>	<u>67,621</u>	<u>45,000</u>	<u>(22,621)</u>
<i>Net change in fund balances</i>	-	-	1,282	1,282
<i>Fund balances - beginning of year</i>	-	-	38,991	38,991
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,273</u>	<u>\$ 40,273</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 1,282
Adjustments to revenues for taxes				(233)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1,049</u>

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

STATE OF NEW MEXICO

Statement B-41

Taos County

Bond Reserve Debt Service Fund (Major)

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	13,500	13,500	56,638	43,138
Miscellaneous	158,500	158,500	-	(158,500)
<i>Total revenues</i>	<u>172,000</u>	<u>172,000</u>	<u>56,638</u>	<u>(115,362)</u>
<i>Expenditures:</i>				
Current				
General Government	318,120	318,120	-	318,120
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	2,510,800	-	-	-
Interest	164,600	164,600	-	164,600
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,993,520</u>	<u>482,720</u>	<u>-</u>	<u>482,720</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,821,520)</u>	<u>(310,720)</u>	<u>56,638</u>	<u>367,358</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	309,508	309,508
Operating transfers (out)	-	-	(316,810)	(316,810)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	2,821,520	310,720	-	(310,720)
<i>Total other financing sources (uses)</i>	<u>2,821,520</u>	<u>310,720</u>	<u>(7,302)</u>	<u>(318,022)</u>
<i>Net change in fund balances</i>	-	-	49,336	49,336
<i>Fund balances - beginning of year</i>	-	-	1,406,104	1,406,104
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,455,440</u>	<u>\$ 1,455,440</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 49,336
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 49,336</u>

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

STATE OF NEW MEXICO

Statement B-42

Taos County

Educational Bond Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	16,167	16,167	-	16,167
Interest	8,069	8,069	1,000	7,069
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>24,236</u>	<u>24,236</u>	<u>1,000</u>	<u>23,236</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(24,236)</u>	<u>(24,236)</u>	<u>(1,000)</u>	<u>23,236</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	24,236	24,236	-	(24,236)
<i>Total other financing sources (uses)</i>	<u>24,236</u>	<u>24,236</u>	<u>-</u>	<u>(24,236)</u>
<i>Net change in fund balances</i>	-	-	(1,000)	(1,000)
<i>Fund balances - beginning of year</i>	-	-	24,236	24,236
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,236</u>	<u>\$ 23,236</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (1,000)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (1,000)</u>

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

STATE OF NEW MEXICO

Statement B-43

Taos County

2004 Educational Bond Series Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	221	221	-	221
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>221</u>	<u>221</u>	<u>-</u>	<u>221</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(221)</u>	<u>(221)</u>	<u>-</u>	<u>221</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	221	221	-	(221)
<i>Total other financing sources (uses)</i>	<u>221</u>	<u>221</u>	<u>-</u>	<u>(221)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	222	222
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 222</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-44

Taos County

2007 Refunding Series Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 2,800,000	\$ 2,800,000	\$ 53,736	\$ (2,746,264)
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,800,000</u>	<u>2,800,000</u>	<u>53,736</u>	<u>(2,746,264)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	2,520,000	2,520,000	505,000	2,015,000
Interest	2,784,956	-	183	(183)
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>5,304,956</u>	<u>2,520,000</u>	<u>505,183</u>	<u>2,014,817</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,504,956)</u>	<u>280,000</u>	<u>(451,447)</u>	<u>(731,447)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	14	14
Operating transfers (out)	-	(2,508,056)	(2,508,056)	-
Bond proceeds	-	-	505,000	505,000
Designated cash (budgeted increase in cash)	2,504,956	2,228,056	-	(2,228,056)
<i>Total other financing sources (uses)</i>	<u>2,504,956</u>	<u>(280,000)</u>	<u>(2,003,042)</u>	<u>(1,723,042)</u>
<i>Net change in fund balances</i>	-	-	(2,454,489)	(2,454,489)
<i>Fund balances - beginning of year</i>	-	-	2,504,956	2,504,956
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,467</u>	<u>\$ 50,467</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (2,454,489)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (2,454,489)</u>

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

STATE OF NEW MEXICO

Statement B-45

Taos County

Land Purchase Judicial Complex Debt Service Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget (Non - GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	40	-	(40)
Miscellaneous	-	-	3	3
<i>Total revenues</i>	<u>-</u>	<u>40</u>	<u>3</u>	<u>(37)</u>
<i>Expenditures:</i>				
Current				
General Government	-	3	-	3
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	3	(3)
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>3</u>	<u>3</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>37</u>	<u>-</u>	<u>(37)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(37)	-	37
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(37)</u>	<u>-</u>	<u>37</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	3	3
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-46

Taos County

USDA/Rus Complex Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 700,000	\$ 700,000	\$ 847,880	\$ 147,880
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	400,771	400,771	401,423	652
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,100,771</u>	<u>1,100,771</u>	<u>1,249,303</u>	<u>148,532</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	770,000	777,000	756,632	20,368
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>770,000</u>	<u>777,000</u>	<u>756,632</u>	<u>20,368</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>330,771</u>	<u>323,771</u>	<u>492,671</u>	<u>168,900</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(390,000)	(390,000)	(390,000)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	59,229	66,229	-	(66,229)
<i>Total other financing sources (uses)</i>	<u>(330,771)</u>	<u>(323,771)</u>	<u>(390,000)</u>	<u>(66,229)</u>
<i>Net change in fund balances</i>	-	-	102,671	102,671
<i>Fund balances - beginning of year</i>	-	-	188,250	188,250
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,921</u>	<u>\$ 290,921</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 102,671
Adjustments to revenues for taxes and charges for service				(55,586)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 47,085</u>

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

STATE OF NEW MEXICO

Statement B-47

Taos County

NMFA Taos Backhoe Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 12,432	\$ 12,432	\$ 12,422	\$ (10)
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	5	5	1	(4)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>12,437</u>	<u>12,437</u>	<u>12,423</u>	<u>(14)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	11,355	11,355	11,355	-
Interest	1,066	1,066	1,066	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>12,421</u>	<u>12,421</u>	<u>12,421</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>16</u>	<u>16</u>	<u>2</u>	<u>(14)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(16)	(16)	-	16
<i>Total other financing sources (uses)</i>	<u>(16)</u>	<u>(16)</u>	<u>-</u>	<u>16</u>
<i>Net change in fund balances</i>	-	-	2	2
<i>Fund balances - beginning of year</i>	-	-	2,090	2,090
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,092</u>	<u>\$ 2,092</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 2
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 2</u>

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

STATE OF NEW MEXICO

Statement B-48

Taos County

NMFA Latir Taos Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,671	4,671	4,670	(1)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	5	5	-	(5)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,676</u>	<u>4,676</u>	<u>4,670</u>	<u>(6)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	4,671	4,671	4,670	1
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>4,671</u>	<u>4,671</u>	<u>4,670</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5</u>	<u>5</u>	<u>-</u>	<u>(5)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(5)	(5)	-	5
<i>Total other financing sources (uses)</i>	<u>(5)</u>	<u>(5)</u>	<u>-</u>	<u>5</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-49

Taos County

La Lama Loan Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 18,123	\$ 18,123	\$ -	\$ (18,123)
Intergovernmental	-	-	18,040	18,040
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	5	5	4	(1)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>18,128</u>	<u>18,128</u>	<u>18,044</u>	<u>(84)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	17,479	17,479	17,479	-
Interest	645	645	644	1
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>18,124</u>	<u>18,124</u>	<u>18,123</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4</u>	<u>4</u>	<u>(79)</u>	<u>(83)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(4)	(4)	-	4
<i>Total other financing sources (uses)</i>	<u>(4)</u>	<u>(4)</u>	<u>-</u>	<u>4</u>
<i>Net change in fund balances</i>	-	-	(79)	(79)
<i>Fund balances - beginning of year</i>	-	-	82	82
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (79)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (79)</u>

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

STATE OF NEW MEXICO

Statement B-50

Taos County

USDA Loan Reserve Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	5	5	15	10
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5</u>	<u>5</u>	<u>15</u>	<u>10</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5</u>	<u>5</u>	<u>15</u>	<u>10</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	88,695	88,695	77,212	(11,483)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(88,700)	(88,700)	-	88,700
<i>Total other financing sources (uses)</i>	<u>(5)</u>	<u>(5)</u>	<u>77,212</u>	<u>77,217</u>
<i>Net change in fund balances</i>	-	-	77,227	77,227
<i>Fund balances - beginning of year</i>	-	-	147,999	147,999
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,226</u>	<u>\$ 225,226</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 77,227
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 77,227</u>

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

STATE OF NEW MEXICO

Statement B-51

Taos County

NMED SW Loan Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	18,608	57,976	57,976	-
Interest	15,000	4,270	4,270	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>33,608</u>	<u>62,246</u>	<u>62,246</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(33,608)</u>	<u>(62,246)</u>	<u>(62,246)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	33,608	63,608	62,246	(1,362)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(1,362)	-	1,362
<i>Total other financing sources (uses)</i>	<u>33,608</u>	<u>62,246</u>	<u>62,246</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-52

Taos County

USDA Loan Proceeds Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	835,000	835,000	885,635	50,635
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	5	5	7	2
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>835,005</u>	<u>835,005</u>	<u>885,642</u>	<u>50,637</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	90,000	90,000	89,644	356
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>90,000</u>	<u>90,000</u>	<u>89,644</u>	<u>356</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>745,005</u>	<u>745,005</u>	<u>795,998</u>	<u>50,993</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(788,695)	(788,695)	(846,833)	(58,138)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	43,690	43,690	-	(43,690)
<i>Total other financing sources (uses)</i>	<u>(745,005)</u>	<u>(745,005)</u>	<u>(846,833)</u>	<u>(101,828)</u>
<i>Net change in fund balances</i>	-	-	(50,835)	(50,835)
<i>Fund balances - beginning of year</i>	-	-	53,690	53,690
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,855</u>	<u>\$ 2,855</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (50,835)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (50,835)</u>

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

STATE OF NEW MEXICO

Statement B-53

Taos County

USDA BOA Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	29	29
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>29</u>	<u>29</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	170,000	170,000	170,000	-
Interest	605,550	605,550	605,550	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>775,550</u>	<u>775,550</u>	<u>775,550</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(775,550)</u>	<u>(775,550)</u>	<u>(775,521)</u>	<u>29</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	700,000	700,000	769,621	69,621
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	75,550	75,550	-	(75,550)
<i>Total other financing sources (uses)</i>	<u>775,550</u>	<u>775,550</u>	<u>769,621</u>	<u>(5,929)</u>
<i>Net change in fund balances</i>	-	-	(5,900)	(5,900)
<i>Fund balances - beginning of year</i>	-	-	110,779	110,779
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,879</u>	<u>\$ 104,879</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (5,900)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (5,900)</u>

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

STATE OF NEW MEXICO

Statement B-54

Taos County

Taos County Complex Restructuring Debt Service Fund
 Statement of Revenues, Expenditures and Changes in Fund Balances
 Budget (Non - GAAP Budgetary Basis) and Actual
 For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 1,970,400	\$ 1,970,400	\$ 1,956,107	\$ (14,293)
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	113	113
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,970,400</u>	<u>1,970,400</u>	<u>1,956,220</u>	<u>(14,180)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	19,753	(19,753)
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	865,000	865,000	865,000	-
Interest	1,205,760	1,307,630	1,205,700	101,930
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,070,760</u>	<u>2,172,630</u>	<u>2,090,453</u>	<u>82,177</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(100,360)</u>	<u>(202,230)</u>	<u>(134,233)</u>	<u>67,997</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	101,870	146,480	44,610
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	100,360	100,360	-	(100,360)
<i>Total other financing sources (uses)</i>	<u>100,360</u>	<u>202,230</u>	<u>146,480</u>	<u>(55,750)</u>
<i>Net change in fund balances</i>	-	-	12,247	12,247
<i>Fund balances - beginning of year</i>	-	-	140,833	140,833
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,080</u>	<u>\$ 153,080</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 12,247
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 12,247</u>

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

STATE OF NEW MEXICO

Statement B-55

Taos County

County 2012A Bond Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	2,500,000	2,500,000	-
Interest	-	8,056	8,056	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,508,056</u>	<u>2,508,056</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(2,508,056)</u>	<u>(2,508,056)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	2,508,056	2,508,056	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,508,056</u>	<u>2,508,056</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

STATE OF NEW MEXICO

Statement B-56

Taos County

County 2012B Bond Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	25	-	(25)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>25</u>	<u>-</u>	<u>(25)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	39	-	39
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>39</u>	<u>-</u>	<u>39</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>14</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	14	14	-
Operating transfers (out)	-	-	(14)	(14)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>14</u>	<u>-</u>	<u>(14)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ -
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ -</u>

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

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STATE OF NEW MEXICO

Statement B-57

Taos County

County Educational Bond Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ 961,384	\$ 961,384
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>961,384</u>	<u>961,384</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>961,384</u>	<u>961,384</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	961,384	961,384
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 961,384</u>	<u>\$ 961,384</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 961,384
Adjustments to revenues for taxes				530,932
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1,492,316</u>

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

STATE OF NEW MEXICO

Statement C-01

Taos County

Solid Waste Proprietary Fund (major)

Statement of Revenues, Expenses and Changes in Net Position

Budget and Actual

For the Year Ended June 30, 2013

	Budget Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		
<i>Operating revenues:</i>				
Charges for services	\$ 772,106	\$ 772,106	\$ 1,595,278	\$ 823,172
<i>Total operating revenues</i>	<u>772,106</u>	<u>772,106</u>	<u>1,595,278</u>	<u>823,172</u>
<i>Operating expenses:</i>				
Personnel services	709,960	709,960	701,499	8,461
Contractual services	210,200	210,200	204,434	5,766
Administration	133,906	133,906	130,730	3,176
Maintenance and materials	46,800	46,800	19,136	-
Bad debt expense	-	-	-	-
Depreciation	-	-	-	-
<i>Total operating expenses</i>	<u>1,100,866</u>	<u>1,100,866</u>	<u>1,055,799</u>	<u>17,403</u>
<i>Operating income (loss)</i>	<u>(328,760)</u>	<u>(328,760)</u>	<u>539,479</u>	<u>805,769</u>
<i>Non-operating revenues (expenses):</i>				
Taxes	186,500	186,500	206,074	19,574
Miscellaneous income	-	-	1,088	1,088
<i>Total non-operating revenues (expenses)</i>	<u>186,500</u>	<u>186,500</u>	<u>207,162</u>	<u>20,662</u>
<i>Income (loss) before contributions and transfers</i>	<u>(142,260)</u>	<u>(142,260)</u>	<u>746,641</u>	<u>826,431</u>
Transfers in (out)	<u>(33,608)</u>	<u>(1,084)</u>	<u>(1,084)</u>	<u>-</u>
<i>Change in net position</i>	<u>\$ (175,868)</u>	<u>\$ (143,344)</u>	<u>745,557</u>	<u>\$ 826,431</u>
<i>Change in net position per financials</i>			<u>Bad debt expense (648,226)</u> <u>Depreciation (36,981)</u>	
			<u>\$ 60,350</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-02

Taos County

Ambulance Proprietary Fund (major)

Statement of Revenues, Expenses and Changes in Net Position

Budget and Actual

For the Year Ended June 30, 2013

	Budget Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		
<i>Operating revenues:</i>				
Charges for services	\$ 775,000	\$ 775,000	\$ 3,704,237	\$ 2,929,237
<i>Total operating revenues</i>	<u>775,000</u>	<u>775,000</u>	<u>3,704,237</u>	<u>2,929,237</u>
<i>Operating expenses:</i>				
Personnel services	1,410,909	1,410,909	1,197,742	213,167
Contractual services	55,500	56,600	33,880	22,720
Administration	117,300	116,200	79,055	37,145
Maintenance and materials	168,500	288,500	177,111	
Bad debt expense	-	-	-	-
Depreciation	-	-	-	-
<i>Total operating expenses</i>	<u>1,752,209</u>	<u>1,872,209</u>	<u>1,487,788</u>	<u>273,032</u>
<i>Operating income (loss)</i>	<u>(977,209)</u>	<u>(1,097,209)</u>	<u>2,216,449</u>	<u>2,656,205</u>
<i>Non-operating revenues (expenses):</i>				
Taxes	-	-	-	-
Interest expense	-	-	-	-
Interest income	-	-	-	-
Miscellaneous income	120,000	120,000	121,876	1,876
<i>Total non-operating revenues (expenses)</i>	<u>120,000</u>	<u>120,000</u>	<u>121,876</u>	<u>1,876</u>
<i>Income (loss) before contributions and transfers</i>	<u>(857,209)</u>	<u>(977,209)</u>	<u>2,338,325</u>	<u>2,658,081</u>
Transfers in (out)	-	-	624,441	624,441
<i>Change in net position</i>	<u>\$ (857,209)</u>	<u>\$ (977,209)</u>	<u>2,962,766</u>	<u>\$ 3,282,522</u>
		Bad debt expense	(3,097,200)	
		Depreciation	(292,206)	
<i>Change in net position per financials</i>			<u>\$ (426,640)</u>	

The accompanying notes are an integral part of these financial statements

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO

Schedule I

Taos County

Schedule of Collateral Pledged by Depository for Public Funds
For the Year Ended June 30, 2013

Security Description	CUSIP Number	Fair Market Value *Par Value at June 30, 2013	Maturity Date	Location of Safekeeper
US Bank				
Federal Home Loan Bank of Cincinnati	(2) NA	\$ 11,000,000	10/1/2013	FHLB, Cincinnati, OH
FNMA Pool AE7757	31419JTP3	66,879	11/1/2025	FHLB, Dallas, TX
FNMA Pool AE9299	31419LKM4	430,042	11/1/2025	FHLB, Dallas, TX
Total - US Bank		<u>11,496,921</u>		
People's Bank				
FHR 2717 HP	31394MZW3	655	12/15/2013	Overland Park, KS
FHR 2717 HP	31394MZW3	302	12/15/2013	Overland Park, KS
FHR 2717 HP	31394MZW3	4,833	12/15/2013	Overland Park, KS
MBS FHLMC Gold 15 Yr	31294UAF0	101,031	8/1/2027	Overland Park, KS
MBS FHLMC Gold 15 Yr	31294UAF0	111,084	8/1/2027	Overland Park, KS
Leavenworth Cnty KS U	522218GS9	103,066	9/1/2028	Overland Park, KS
MBS FNMA Conv	31418AGR3	134,932	7/1/2032	Overland Park, KS
MASTR 2003-10 3A1	55265KT41	23,597	11/25/2033	Overland Park, KS
MASTR 2003-10 3A1	55265KT41	76,690	11/25/2033	Overland Park, KS
GNR 2008-61 NA	38375DHN1	267,161	12/20/2036	Overland Park, KS
FNR 2009-85 LB	31396Q7H6	3,083	8/25/2047	Overland Park, KS
FNR 2009-85 LB	31396Q7H6	594	8/25/2047	Overland Park, KS
Total - People's Bank		<u>827,028</u>		
Centinel Bank				
FFCB	31331JAV5	2,489,348	1/15/2015	TIB, Irving, TX
FFCB	31331GCR8	163,972	9/30/2015	TIB, Irving, TX
Farmington SD #5	(1) 311441HN2	49,995	9/1/2017	TIB, Irving, TX
Lea County SCH	(1) 521513AL5	200,000	5/15/2021	TIB, Irving, TX
Lovington SCH-GOB	(1) 547473DE5	180,000	10/1/2016	TIB, Irving, TX
Lovington SCH-GOB	(1) 547473DE5	70,000	10/1/2016	TIB, Irving, TX
FFCB	31331Y2Q2	150,120	7/8/2013	TIB, Irving, TX
FFCB	31331Y2Q2	100,080	7/8/2013	TIB, Irving, TX
Las Cruces SD GO	(1) 51753FPE7	250,000	8/1/2021	TIB, Irving, TX
Pojoaque SCH	(1) 73085PAY5	29,997	8/1/2014	TIB, Irving, TX
Espanola SCH	(1) 29662RBA5	150,000	9/1/2025	TIB, Irving, TX
Total - Centinel Bank		<u>3,833,512</u>		
Total Pledged Collateral		<u>\$ 16,157,461</u>		

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

(2) This is a letter of credit that is irrevocable, unconditional, and nontransferable

See independent auditors' report

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

<u>Bank Name/Account Name</u>	<u>Acct. Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Carrying Balance</u>
US Bank					
Taos AD Dent Center Bail Bond	Checking	\$ 52	\$ -	\$ -	\$ 52
Taos Adult Detention Center	Checking	12,428	-	-	12,428
Taos Housing Clearing ACC	Checking	30,963	-	-	30,963
Internet Account	Checking	249	-	-	249
Sheriff Clearing Account	Checking	1,072	-	-	1,072
Office of the Justice	Checking	1,256	-	-	1,256
General	Checking	6,234,548	44,204	710,295	5,568,457
US Department of Energy - Old Courthouse	Checking	1,245	-	-	1,245
County Complex	Checking	1,434,705	-	-	1,434,705
Inmate Trust Account	Checking	11,803	-	-	11,803
Office of the Justice	Checking	90	-	-	90
Money Market Account	CD	2,035,060	-	-	2,035,060
Escrow Acct	Checking	20,123	10	-	20,133
General Fund Operational	Checking	213,406	-	16	213,390
Accounts Payable	Checking	-	15,690	15,686	4
Section 8 General Fund Operational	Checking	308,627	-	21,545	287,082
Home House by House	Checking	586	-	-	586
Home House by House	Checking	1,093	-	-	1,093
Centinel Bank					
General	Checking	5,957,010	-	-	5,957,010
A G Center	Checking	15,053	-	-	15,053
Credit Card Payment	Checking	819	-	-	819
Low Rent Public Housing	Checking	9,522	-	1,214	8,308
Money Market Account	CD	1,925,006	-	-	1,925,006
People's Bank					
General Account	Checking	47,600	-	-	47,600
Money Market Account	CD	925,123	-	-	925,123
Certificate of Deposit	CD	58,000	-	-	58,000
Certificate of Deposit	CD	58,000	-	-	58,000
Taos County Housing Authority	Checking	47,091	-	1,440	45,651
Payroll Checking	Checking	171	-	-	171
Money Market Account	CD	60,294	-	-	60,294
Bank of New York					
Debt Service Fund #485181	Trust	157	-	-	157
Educ. Extra Ordinary # 485154	Trust	6,901	-	-	6,901
ACQ/Taos MSD #800196	Trust	21	-	-	21
ACQ/UNM Taos #800197	Trust	1	-	-	1
ACQ/Penasco #800199	Trust	305	-	-	305
Educ Debt Service# 800191	Trust	189	-	-	189
Educ-Admin Expense #800195	Trust	32	-	-	32
ACQ/TAOS MSD	Trust	1,369,427	-	-	1,369,427
ACQ/UNM Taos	Trust	607,500	-	-	607,500
ACQ/QUESTA	Trust	257,337	-	-	257,337
ACQ/Penasco	Trust	144,597	-	-	144,597
ACQ/QUESTA	Trust	87,054	-	-	87,054
ACQ Fund #485085	Trust	486,591	-	-	486,591
Cost of Issuance	Trust	1,468	-	-	1,468
Income Bond #485251	Trust	26,100	-	-	26,100

See independent auditors' report

<u>Bank Name/Account Name</u>	<u>Acct. Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Carrying Balance</u>
NMFA Bank					
Amalia Fire Department Taos 10	Trust	\$ 1	\$ -	\$ -	\$ 1
Solid Waste Backhoe Taos 35	Trust	2,092	-	-	2,092
La Lama- Fire Pumper Taos 39	Trust	3	-	-	3
Taos County New Re-structure Loan Taos 40	Trust	153,080	-	-	153,080
Taos County Restructuring Loan (Restricted Reserve)	Trust	1,403,687	-	-	1,403,687
Hondo/Seco Fire Pumper	Trust	4	-	-	4
Hondo/Seco Fire Pump (Program Funds)	Trust	8	-	-	8
Bank of Albuquerque					
Judicial/Admin/Correction Complex Reserve	Trust	225,226	-	-	225,226
Judicial/Admin/Correction Complex Debt Sc.	Trust	104,879	-	-	104,879
Judicial/Admin/Correction Complex Income	Trust	2,855	-	-	2,855
Total cash in bank		<u>\$ 24,290,510</u>	<u>\$ 59,904</u>	<u>\$ 750,196</u>	<u>23,600,218</u>
Less: Fiduciary Cash					(547,653)
Add: Petty Cash					1,503
Total Cash					<u>\$ 23,054,068</u>
Cash in Governmental Activities Per Ex A-1					\$ 10,374,120
Investments Governmental Activities Per Ex A-1					5,001,189
Restricted Cash in Governmental Activities Per Ex A-1					6,806,746
Cash in Business-Type Activities Per Ex A-1					573,070
Investments in Business-Type Activities Per Ex A-1					60,294
Restricted Cash in Business-Type Activities Per Ex A-1					238,649
					<u>\$ 23,054,068</u>

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STATE OF NEW MEXICO
Taos County
Tax Roll Reconciliation - Changes in Taxes Receivable
For the Year Ended June 30, 2013

Schedule III

Property taxes receivable, beginning of year	\$ 4,947,860
Changes to Tax Roll:	
Net taxes charged to Treasurer for fiscal year	23,512,293
Adjustments:	
Prior year taxes considered uncollectable	419,549
Charge off of taxes receivable	<u>(290,321)</u>
Total receivables prior to collections	28,589,381
Collections for fiscal year ended June 30, 2013	<u>23,670,242</u>
Property taxes receivable, end of year	<u>\$ 4,919,139</u>
Property taxes receivable by year:	
2003	190,442
2004	199,354
2005	225,451
2006	251,694
2007	302,036
2008	388,261
2009	167,931
2010	406,159
2011	719,188
2012	<u>2,068,623</u>
Total property taxes receivable	<u>\$ 4,919,139</u>

See independent auditors' report

STATE OF NEW MEXICO
Taos County
Property Taxes Receivable by Agency
June 30, 2013

Agency/ Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
El Prado Water & Sanitation District							
2012	105,731	89,260	89,260	89,260	80,971	8,289	16,471
2011	105,538	6,233	97,842	6,233	97,842	-	7,697
2010	116,320	6,068	108,431	6,068	108,431	-	7,889
2009	112,877	534	106,473	534	106,473	-	6,404
2008	105,570	69	102,591	69	102,591	-	2,980
2007	97,668	74	96,527	74	96,527	-	1,141
2006	93,019	14	91,999	14	91,999	-	1,020
2005	97,240	-	95,527	-	95,527	-	1,713
2004	94,876	-	93,475	-	93,475	-	1,401
2003	100,177	-	96,717	-	96,717	-	3,460
Total	1,029,018	102,252	978,841	102,252	970,552	8,289	50,177
El Valle de Los Ranchos Sanitation & Water District							
2012	578,418	510,787	510,787	510,787	492,585	18,201	67,632
2011	572,796	41,596	535,734	41,596	535,734	-	37,063
2010	553,019	17,161	533,738	17,161	533,738	-	19,281
2009	543,598	5,897	524,212	5,897	524,212	-	19,386
2008	451,199	2,361	439,751	2,361	439,751	-	11,448
2007	350,625	666	344,001	666	344,001	-	6,625
2006	305,395	77	298,499	77	298,499	-	6,896
2005	294,592	71	290,038	71	290,038	-	4,554
2004	257,835	69	255,105	69	255,105	-	2,730
2003	304,347	63	240,209	63	240,209	-	64,139
Total	4,211,825	578,746	3,972,073	578,746	3,953,872	18,201	239,752
Taos Soil & Conservation Service							
2012	972,906	876,431	876,431	876,431	855,785	20,646	96,476
2011	968,000	56,536	916,767	56,536	916,767	-	51,233
2010	936,931	19,006	905,924	19,006	905,924	-	31,007
2009	919,377	5,476	894,791	5,476	894,791	-	24,586
2008	809,223	2,090	793,834	2,090	793,834	-	15,389
2007	756,425	819	739,051	819	739,051	-	17,375
2006	651,380	275	640,323	275	640,323	-	11,057
2005	479,486	159	468,781	159	468,781	-	10,705
2004	448,572	152	440,451	152	440,451	-	8,121
2003	421,753	147	413,637	147	413,637	-	8,116
Total	7,364,054	961,091	7,089,988	961,091	7,069,343	20,646	274,066
Taos Education Center							
2012	1,822,629	1,672,531	1,672,531	1,672,531	1,636,037	36,494	150,098
2011	1,720,023	103,674	1,657,896	103,674	1,657,896	-	62,127
2010	1,634,756	34,980	1,600,946	34,980	1,600,946	-	33,811
2009	1,605,719	8,677	1,581,197	8,677	1,581,197	-	24,522
2008	1,446,980	3,468	1,415,647	3,468	1,415,647	-	31,333
2007	1,296,367	1,328	1,274,797	1,328	1,274,797	-	21,570
2006	1,155,636	587	1,135,322	587	1,135,322	-	20,315
2005	1,049,484	453	1,035,168	453	1,035,168	-	14,316
2004	973,095	446	960,215	446	960,215	-	12,880
2003	911,778	415	899,539	415	899,539	-	12,239
Total	13,616,468	1,826,561	13,233,257	1,826,561	13,196,763	36,494	383,211

See independent auditors' report

Agency/ Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
Town of Taos							
2012	971,249	910,460	910,460	910,460	886,392	24,068	60,789
2011	906,343	68,964	878,347	68,964	878,347	-	27,996
2010	858,116	25,814	836,452	25,814	836,452	-	21,664
2009	845,581	5,683	843,090	5,683	843,090	-	2,491
2008	760,321	1,185	736,609	1,185	736,609	-	23,712
2007	665,593	139	653,967	139	653,967	-	11,626
2006	579,405	69	569,420	69	569,420	-	9,985
2005	530,132	40	524,824	40	524,824	-	5,308
2004	496,957	42	491,618	42	491,618	-	5,339
2003	470,031	19	464,250	19	464,250	-	5,781
Total	7,083,729	1,012,417	6,909,037	1,012,417	6,884,969	24,068	174,692
Village of Questa							
2012	102,597	88,378	88,378	88,378	83,027	5,351	14,219
2011	95,933	10,457	90,235	10,457	90,235	-	5,698
2010	90,425	3,791	87,857	3,791	87,857	-	2,568
2009	90,526	833	88,955	833	88,955	-	1,571
2008	84,585	542	82,413	542	82,413	-	2,171
2007	78,504	149	76,759	149	76,759	-	1,745
2006	72,883	46	71,465	46	71,465	-	1,418
2005	49,423	30	48,959	30	48,959	-	463
2004	46,848	19	45,923	19	45,923	-	926
2003	27,734	11	27,074	-	27,074	-	659
Total	739,459	104,257	708,020	104,246	702,668	5,351	31,439
Town of Red River							
2012	341,168	313,851	313,851	313,851	306,370	7,482	27,316
2011	320,823	20,577	308,847	20,577	308,847	-	11,976
2010	295,212	3,050	290,899	3,050	290,899	-	4,313
2009	292,326	681	289,979	681	289,979	-	2,348
2008	271,960	286	268,180	286	268,180	-	3,780
2007	252,242	6	249,536	6	249,536	-	2,706
2006	238,247	-	234,997	-	234,997	-	3,250
2005	222,829	-	219,567	-	219,567	-	3,262
2004	214,123	-	211,168	-	211,168	-	2,956
2003	200,103	-	197,549	-	197,549	-	2,554
Total	2,649,035	338,450	2,584,575	338,450	2,577,093	7,482	64,460
Village of Taos Ski Valley							
2012	431,802	405,127	405,127	405,127	402,522	2,605	26,675
2011	192,058	12,681	185,887	12,681	185,887	-	6,170
2010	182,109	1,760	176,645	1,760	176,645	-	5,464
2009	176,591	295	177,333	295	177,333	-	(742)
2008	132,233	113	131,544	113	131,544	-	689
2007	116,129	-	118,324	-	118,324	-	(2,196)
2006	100,418	-	99,475	-	99,475	-	943
2005	77,354	-	76,439	-	76,439	-	915
2004	71,099	-	70,072	-	70,072	-	1,027
2003	68,464	-	68,038	-	68,038	-	425
Total	1,548,257	419,976	1,508,886	419,976	1,506,281	2,605	39,371

STATE OF NEW MEXICO
Taos County
Property Taxes Receivable by Agency
June 30, 2013

Agency/ Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
State Levy							
2012	1,799,658	1,641,987	1,641,987	1,641,987	1,602,438	39,549	157,671
2011	1,806,992	108,426	1,733,429	108,426	1,733,429	-	73,564
2010	1,999,151	42,719	1,953,314	42,719	1,953,314	-	45,837
2009	1,494,659	8,662	1,467,723	8,662	1,467,723	-	26,936
2008	1,460,685	3,369	1,425,526	3,369	1,425,526	-	35,159
2007	1,306,156	1,260	1,280,645	1,260	1,280,645	-	25,511
2006	1,159,207	528	1,135,036	528	1,135,036	-	24,171
2005	1,029,813	376	1,013,252	376	1,013,252	-	16,561
2004	756,888	285	744,519	285	744,519	-	12,369
2003	1,088,060	405	1,069,680	405	1,069,680	-	18,380
Total	13,901,271	1,808,017	13,465,111	1,808,017	13,425,562	39,549	436,160
Cattle, Sheep, Goats, Equine							
2012	12,486	8,871	8,871	8,871	8,646	225	3,615
2011	10,758	676	8,024	676	8,024	-	2,735
2010	10,134	152	7,764	152	7,764	-	2,370
2009	11,127	9	8,956	9	8,956	-	2,172
2008	10,095	-	8,292	-	8,292	-	1,802
2007	12,575	3	10,527	3	10,527	-	2,047
2006	10,408	-	8,968	-	8,968	-	1,440
2005	10,939	-	9,450	-	9,450	-	1,488
2004	10,449	-	8,450	-	8,450	-	1,999
2003	8,573	1	6,935	1	6,935	-	1,638
Total	107,545	9,712	86,238	9,712	86,012	225	21,307
Taos Municipal Schools							
2012	4,827,278	4,422,788	4,422,788	4,422,788	4,312,326	110,462	404,490
2011	5,926,493	367,896	5,705,324	367,896	5,705,324	-	221,169
2010	5,845,990	130,595	5,720,125	130,595	5,720,125	-	125,865
2009	4,517,677	25,377	4,449,616	25,377	4,449,616	-	68,060
2008	4,191,992	10,170	4,098,230	10,170	4,098,230	-	93,762
2007	3,827,087	3,848	3,762,568	3,848	3,762,568	-	64,519
2006	2,851,572	1,428	2,799,298	1,428	2,799,298	-	52,274
2005	2,872,934	1,222	2,834,954	1,222	2,834,954	-	37,980
2004	2,738,972	1,235	2,702,822	1,235	2,702,822	-	36,150
2003	2,511,761	1,124	2,477,840	1,124	2,477,840	-	33,920
Total	40,111,754	4,965,683	38,973,564	4,965,683	38,863,103	110,462	1,138,190
Penasco Independent Schools							
2012	164,524	144,666	144,666	144,666	139,657	5,008	19,859
2011	135,107	8,166	127,230	8,166	127,230	-	7,877
2010	294,866	6,304	285,136	6,304	285,136	-	9,731
2009	368,959	2,675	360,305	2,675	360,305	-	8,654
2008	218,680	426	214,196	426	214,196	-	4,483
2007	196,915	282	192,604	282	192,604	-	4,311
2006	190,657	11	187,465	11	187,465	-	3,192
2005	182,838	-	180,544	-	180,544	-	2,293
2004	138,630	-	137,033	-	137,033	-	1,597
2003	130,888	-	129,272	-	129,272	-	1,615
Total	2,022,064	162,531	1,958,452	162,531	1,953,444	5,008	63,612

See independent auditors' report

Agency/ Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
Mesa Vista Consolidated Schools							
2012	361,476	294,571	294,571	294,571	287,929	6,642	66,905
2011	366,428	22,567	317,247	22,567	317,247	-	49,180
2010	340,426	11,876	310,799	11,876	310,799	-	29,627
2009	361,432	8,097	334,760	8,097	334,760	-	26,672
2008	368,909	296	332,190	296	332,190	-	36,719
2007	329,261	110	297,248	110	297,248	-	32,014
2006	203,209	31	180,859	31	180,859	-	22,350
2005	139,150	13	123,682	13	123,682	-	15,468
2004	141,528	13	126,702	13	126,702	-	14,826
2003	131,318	7	116,971	7	116,971	-	14,347
Total	2,743,137	337,581	2,435,028	337,581	2,428,386	6,642	308,109
Questa Independent Schools							
2012	981,654	903,434	903,434	903,434	881,867	21,567	78,221
2011	891,431	42,722	860,531	42,722	860,531	-	30,901
2010	883,489	11,375	870,292	11,375	870,292	-	13,197
2009	881,504	2,793	843,968	2,793	843,968	-	37,536
2008	597,929	1,218	586,515	1,218	586,515	-	11,413
2007	572,159	425	563,787	425	563,787	-	8,372
2006	626,719	234	617,604	234	617,604	-	9,116
2005	598,883	118	591,922	118	591,922	-	6,960
2004	602,597	85	593,668	85	593,668	-	8,929
2003	647,181	95	637,878	95	637,878	-	9,303
Total	7,283,546	962,498	7,069,599	962,498	7,048,032	21,567	213,947
1% Administrative Fee							
2012	233,306	214,307	214,307	214,307	214,307	-	18,998
2011	233,716	14,823	225,637	14,823	225,637	-	8,079
2010	230,066	5,306	226,298	5,306	226,298	-	3,768
2009	211,040	1,340	209,122	1,340	209,122	-	1,919
2008	188,724	447	185,436	447	185,436	-	3,287
2007	169,717	153	167,694	153	167,694	-	2,023
2006	145,619	56	143,473	56	143,473	-	2,146
2005	133,948	42	132,500	42	132,500	-	1,448
2004	124,008	40	122,637	40	122,637	-	1,371
2003	121,659	38	119,302	38	119,302	-	2,357
Total	1,791,803	236,551	1,746,406	236,551	1,746,406	-	45,396
Taos County							
2012	9,805,405	8,946,217	8,946,217	8,946,217	8,946,217	-	859,187
2011	9,039,885	597,667	8,924,163	597,667	8,924,154	-	115,722
2010	8,781,675	211,038	8,731,906	211,038	8,731,906	-	49,768
2009	8,663,679	57,187	8,748,264	57,187	8,748,264	-	(84,584)
2008	7,849,206	18,704	7,739,073	18,704	7,739,073	-	110,134
2007	7,063,344	6,086	6,960,697	6,086	6,960,697	-	102,647
2006	6,243,355	2,294	6,161,235	2,294	6,161,235	-	82,120
2005	5,735,430	1,675	5,633,416	1,675	5,633,416	-	102,014
2004	5,378,614	1,589	5,291,880	1,589	5,291,880	-	86,735
2003	5,096,341	1,476	5,084,834	1,476	5,084,834	-	11,507
Total	73,656,934	9,843,934	72,221,675	9,843,934	72,221,675	-	1,435,259

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STATE OF NEW MEXICO
Taos County
Property Taxes Receivable by Agency
June 30, 2013

Agency/ Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year End	County Receivable at Year End
Totals							
2012	23,512,288	21,443,666	21,443,666	21,443,666	21,137,077	306,589	2,068,623
2011	23,292,325	1,483,663	22,573,137	1,483,663	22,573,128	-	719,188
2010	23,052,687	530,995	22,646,528	530,995	22,646,528	-	406,159
2009	21,096,675	134,217	20,928,744	134,217	20,928,744	-	167,931
2008	18,948,289	44,744	18,560,028	44,744	18,560,028	-	388,261
2007	17,090,768	15,349	16,788,732	15,349	16,788,732	-	302,036
2006	14,627,132	5,649	14,375,438	5,649	14,375,438	-	251,694
2005	13,504,476	4,201	13,279,025	4,201	13,279,025	-	225,451
2004	12,495,091	3,974	12,295,736	3,974	12,295,736	-	199,354
2003	12,240,167	3,801	12,049,726	3,790	12,049,726	-	190,442
Grand Total	\$ 179,859,898	\$ 23,670,258	\$ 174,940,750	\$ 23,670,247	\$ 174,634,161	\$ 306,589	\$ 4,919,139

See independent auditors' report

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STATE OF NEW MEXICO

Schedule V

Taos County

Schedule of Changes in Fiduciary Assets and Liabilities

For the Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<i>Assets</i>				
Cash and cash equivalents	\$ 547,269	\$ 23,317,725	\$ 23,317,341	\$ 547,653
Taxes receivable	4,947,860	23,512,293	24,976,270	3,483,883
Due from other governments	-	140,488	-	140,488
Total assets	\$ 5,495,129	\$ 46,970,506	\$ 48,293,611	\$ 4,172,024
 <i>Liabilities</i>				
Due to other entities	\$ 5,495,129	\$ 46,609,124	\$ 48,293,611	\$ 3,810,642
Deposits held in trust	-	361,382	-	361,382
Total liabilities	\$ 5,495,129	\$ 46,970,506	\$ 48,293,611	\$ 4,172,024

See independent auditors' report

STATE OF NEW MEXICO

Taos County
Financial Data Schedule
June 30, 2013

Line Item Number	Description	Low Rent Public Housing Program 14.850	Housing Choice Vouchers 14.871	Public Housing Capital Fund Program 14.872	Total
111	Cash - Unrestricted	\$ 223,751	\$ 114,217	\$ -	\$ 337,968
113	Cash - Other Restricted	6,612	186,386	-	192,998
114	Cash - Tenant Security Deposits	45,651	-	-	45,651
100	Total Cash	276,014	300,603	-	576,617
121	Accounts Receivable - PHA projects	-	10,475	-	10,475
122-020	Accounts Receivable - HUD Other Projects - Capital Fund	57,705	-	-	57,705
126	Accounts Receivable - Tenants - Dwelling Rents	32,117	-	-	32,117
120	Total Receivables, Net of Allowance for Doubtful Accounts	75,375	10,475	-	85,850
131	Investments - Unrestricted	60,294	-	-	60,294
130	Total Investments	60,294	-	-	60,294
142	Prepaid Expenses and Other Assets	22,496	1,223	-	23,719
150	Total Current Assets	434,179	312,301	-	746,480
161	Land	167,589	-	-	167,589
162	Buildings	11,276,309	-	-	11,276,309
163	Furniture, Equipment & Machinery - Dwellings	857,588	-	-	857,588
164	Furniture, Equipment & Machinery - Administration	290,796	-	-	290,796
166	Accumulated Depreciation	(8,391,308)	-	-	(8,391,308)
160	Total Capital Assets, Net of Accumulated Depreciation	4,200,974	-	-	4,200,974
180	Total Non-Current Assets	4,200,974	-	-	4,200,974
190	Total Assets	\$ 4,635,153	\$ 312,301	\$ -	\$ 4,947,454

See independent auditors' report

Line Item Number	Description	Low Rent Public Housing Program 14.850	Housing Choice Vouchers 14.871	Public Housing Capital Fund Program 14.872	Total
312	Accounts Payable <= 90 Days	\$ 12,934	\$ 470	\$ -	\$ 13,404
321	Accrued Wage/Payroll Taxes Payable	6,006	4,013	-	10,019
	Accrued Compensated Absences - Current				
322	Portion	3,291	1,157	-	4,448
341	Tenant Security Deposits	45,651	-	-	45,651
342	Deferred Revenues	4,507	-	-	4,507
345	Other Current Liabilities	12,120	13,521	-	25,641
348	Loan Liability - Current	1,678	-	-	1,678
310	Total Current Liabilities	86,187	19,161	-	105,348
354	Accrued Compensated Absences - Non-Current	4,363	1,534	-	5,897
350	Total Non-Current Liabilities	4,363	1,534	-	5,897
300	Total Liabilities	90,550	20,695	-	111,245
508.1	Net investment in capital assets	4,200,974	-	-	4,200,974
511	Restricted Net Position	-	172,865	-	172,865
512.1	Unrestricted Net Position	343,629	118,741	-	462,370
513	Total Equity/net positions	4,544,603	291,606	-	4,836,209
600	Total Liabilities and Equity/Net Positions	\$ 4,635,153	\$ 312,301	\$ -	\$ 4,947,454

STATE OF NEW MEXICO

Taos County
Financial Data Schedule
June 30, 2013

Line Item Number	Description	Low Rent Public Housing Program 14.850	Housing Choice Vouchers 14.871	Public Housing Capital Fund Program 14.872	Total
70300	Net Tenant Rental Revenue	\$ 295,250	\$ -	\$ -	\$ 295,250
70400	Tenant Revenue - Other	26,254	-	-	26,254
70500	Total Tenant Revenue	321,504	-	-	321,504
70600	HUD PHA Operating Grants	389,926	2,315,997	-	2,705,923
70610	Capital Grants	-	-	-	-
71100	Investment Income - Unrestricted	300	-	-	300
71400	Fraud Recovery	-	-	-	-
71500	Other Revenue	-	39,682	-	39,682
72000	Investment Income - Restricted	-	120	-	120
70000	Total Revenue	711,730	2,355,799	-	3,067,529
91100	Administrative Salaries	75,579	90,092	-	165,671
91200	Auditing Fees	7,370	6,478	-	13,848
91310	Book-keeping Fee	8,917	8,024	-	16,941
	Employee Benefit Contributions -				
91500	Administrative	58,642	44,295	-	102,937
91600	Office Expenses	5,196	5,180	-	10,376
91800	Travel	17,330	2,864	-	20,194
91900	Other Operating - Administrative	12,229	21,135	-	33,364
91000	Total Operating - Administrative	185,263	178,068	-	363,331
92100	Tenant Services - Salaries	17,264	-	-	17,264
	Employee Benefit Contributions - Tenant				
92300	Services	6,979	-	-	6,979
92400	Tenant Services - Other	-	-	-	-
92500	Total Tenant Services	24,243	-	-	24,243
93100	Water	71,286	-	-	71,286
93200	Electricity	22,878	-	-	22,878
93300	Gas	49,915	-	-	49,915
93800	Other Utilities Expense	15,025	-	-	15,025
93000	Total Utilities	159,104	-	-	159,104
94100	Ordinary Maintenance & Operation - Labor	159,941	-	-	159,941
	Ordinary Maintenance & Operation - Materials				
94200	& Other	40,681	-	-	40,681
94300	Ordinary Maintenance & Operation Contracts	30,509	-	-	30,509
94000	Total Maintenance	231,131	-	-	231,131
96110	Property Insurance	40,200	9,652	-	49,852
96100	Total Insurance Premiums	40,200	9,652	-	49,852
96200	Other General Expenses	-	25,487	-	25,487
96400	Bad Debt - Tenant Rents	14,447	-	-	14,447
96000	Total Other General	14,447	25,487	-	39,934
96900	Total Operating Expenses	\$ 654,388	\$ 213,207	\$ -	\$ 867,595

See independent auditors' report

Line Item Number	Description	Low Rent Public Housing Program 14.850	Housing Choice Vouchers 14.871	Public Housing Capital Fund Program 14.872	Total
	Excess Operating Revenue Over Operating Expenses	\$ 57,342	\$ 2,142,592	\$ -	\$ 2,199,934
97000					
97100	Extraordinary Maintenance	6,911	-	-	6,911
97300	Housing Assistance Payments	-	2,107,461	-	2,107,461
97350	HAP Portability-In	-	52,575	-	52,575
97400	Depreciation Expense	-	-	-	-
90000	Total Expenses	661,299	2,373,243	-	3,034,542
10010	Operating Transfers In	-	-	-	-
10020	Operating Transfers Out	-	-	-	-
10100	Total Other Financing Sources (Uses)	-	-	-	-
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	50,431	(17,444)	-	32,987
11030	Beginning Equity	4,494,172	309,050	-	4,803,222
1040-070	Equity Transfers	-	-	-	-
11040	Prior period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-
	Ending Equity (deficit)	\$ 4,544,603	\$ 291,606	\$ -	\$ 4,836,209
11190	Unit Months Available	2,016	5,364	-	7,380
11210	Number of Unit Months Leased	1,908	3,948	-	5,856
11620	Building Purchases	\$ -	\$ -	\$ -	\$ -

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COMPLIANCE SECTION



Accounting & Consulting Group, LLP
Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue fund of Taos County (the "County") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual fund and related budgetary comparisons of the County presented as supplemental information, and have issued our report thereon dated November 5, 2013.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 2013-002, FS 2013-003, FS 2013-005, FS 2013-006, FSHA 12-01, FSHA 12-06, FSHA 12-07, and FSHA 12-10 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items FS 2013-001, FS 2013-004, and FS 2013-008 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 2013-005, FS 2013-006, FS 2013-007, FS 2013-009, FS 2013-010, FSHA 12-01, FSHA 12-06, and FSHA 12-08.

County's Response to Findings

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

Purpose of this Report

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 5, 2013

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FEDERAL FINANCIAL ASSISTANCE



Accounting & Consulting Group, LLP
Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Basis for Qualified Opinion on Major Federal Program

As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding CFDA 14.850 Public and Indian Housing and CFDA 14.871 Section 8 Housing Choice Vouchers as described in findings FA 2012-004, FA 2012-005, and FA 2012-006 for Reporting and Eligibility. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Major Federal Programs

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Public and Indian Housing program and Section 8 Housing Choice Vouchers program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs at items FA 2012-001, FA 2012-002, FA 2012-003, FA 2012-005, and FA 2012-006 to be material weaknesses.

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

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

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 5, 2013

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

Federal Grantor/Passthrough Grantor/Program Title	Grant Number	Federal C.F.D.A. Number	Federal Expenditures
U.S. Housing & Urban Development (HUD)			
Public and Indian Housing	NM03800000109D	14.850	* \$ 642,939
Section 8 Housing Choice Vouchers	NA	14.871	* 2,373,243
Public Housing Choice Vouchers	NM02P038501-10	14.872	18,360
2011 Community Block Grant	11-C-NR-I-01-G-46	14.228	394,193
Total U.S. Housing & Urban Development (HUD)			<u>3,428,735</u>
U.S. Forest Service			
Federal Title III (1)	NA	10.665	70,615
Wildland Fire Coordinator	12-521-0410-0064	10.664	13,969
Wildland Fire Coordinator	13-521-0410-0053	10.664	10,337
Total U.S. Forest Service			<u>94,921</u>
U.S. Department of Environment			
NM DPS HS & EM (Homeseurity)	2010-SS-TO-0011	97.055	82,681
Total U.S. Department of Environment			<u>82,681</u>
Total Federal Financial Assistance			<u>\$ 3,606,337</u>

(*) Major program

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

Notes to Schedule of Expenditures of Federal AwardsBasis of Presentation

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

Subrecipients

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

Non-Cash Federal Assistance

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

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 3,606,337
Total expenditures funded by other sources	<u>31,732,872</u>
Total expenditures	<u><u>\$ 35,339,209</u></u>

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SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | |
|--|-----------|
| 1. Type of auditors’ report issued | Qualified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to the financial statements noted? | Yes |

Federal Awards:

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

CFDA Number	Federal Program
14.850	Public and Indian Housing
14.871	Section 8 Housing Choice Vouchers

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

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SECTION II – FINANCIAL STATEMENT FINDINGS AND RESPONSES

FS 2013-001 — Inventory — (Significant Deficiency)

Condition: During our procedures over inventory, we noted the County had several tons of base course used for roads in their warehouse yard, with no project assigned for this inventory. With no internal controls in place to monitor or track this inventory, the dollar value of the inventory could not be determined. From review of invoices from the months close to year end, invoices totaled \$34,850. Consequently, the County was not able to provide evidence to support the balances of this inventory at June 30, 2013.

Criteria: NMAC 6.20.2.16 states that “Counties shall establish adequate internal accounting control procedures over inventory in accordance with GAAP.”

Effect: Inventory can be subject to theft or misappropriation, and this could also result in misstatements of inventory amounts reported in the County’s financial statements.

Cause: In order to ensure enough base course material was available for future unknown projects, the County purchased surplus base course.

Auditors’ Recommendation: We recommend that the County ensure compliance with NMAC 6.20.2.16 by implementing internal control processes that will safeguard inventory and include monitoring related to surplus inventory.

Management’s Response: The Taos County Public Works will be required to maintain monthly inventory counts of any material or supplies remaining and the Fixed Assets Manager will be required to perform a year end inventory count of any unused materials.

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FS 2013-002 — Preparation of Financial Statements — (Material Weakness)

Condition: Financial statements and related footnote disclosures were not prepared by the County and material adjustments were needed to fairly state the financial statements.

Criteria: According to the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 115, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems should be implemented and should include controls over financial statement preparation, footnote disclosure preparation, and should give the entity the ability to catch material errors that may affect the financial statements.

Effect: When sufficient controls over the preparation of financial statements and related disclosures are not designed, implemented and operating effectively, an entity's ability to prevent or detect a misstatement in its financial statements is limited.

Cause: Due to the turnover in management during the year, the County did not have sufficient time to properly close out the general ledger and accurately prepare account balances related to accounts receivables, accounts payable, and long term debt. Also, there were proposed journal entries to correct material errors in cash and fund balance.

Auditors' Recommendation: We recommend County management properly prepare account balances related to its financial statements and related footnote disclosures.

Management's Response: Although Taos County Finance Department does not utilize accounting software capable of accrual accounting, the current Finance Director does have the ability to prepare the financial statements and related note disclosures. Going forward the current Finance Director plans to prepare the financial statements and related note disclosures.

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FS 2013-003 — Internal Controls — Lack of Segregation of Duties and Internal Controls (Payroll, Receipts and Disbursements Cycle) – (Material Weakness)

Condition: During our procedures over the payroll, receipts, and disbursements transaction cycles we noted the following:

- The County does not have proper segregation of duties and monitoring related to bank reconciliations.
- The County does not have proper internal controls to ensure proper and timely payments to vendors.
- 2 out of 5 disbursements tested, did not have proper signatures on the purchase order to authorize the purchase. These 2 transactions totaled \$752.43.
- 3 out of 5 payroll registers tested, excluded the signature from the County indicating Fund Verification.

Criteria: Appropriate internal controls including monitoring and segregation of duties in cash receipting, disbursements and payroll processing is required to maintain proper reporting of all revenues and expenditures as required by Section 6-6-3, NMSA 1978.

Effect: Without adequate internal controls including monitoring and segregation of duties in key control processes, there is an increased risk of fraudulent activity, and also an increased risk of errors that may not be detected timely.

Cause: Do to turnover in employment, the County did not have proper segregation of duties in place for most of the fiscal year over bank reconciliations. Also, there were oversights in the County's internal control processes related to disbursements and payroll.

Auditors' Recommendation: Ensure policies and procedures that are in place to maintain proper internal controls that include segregation of duties are working properly.

Management's Response: The Treasurer's office has taken action to create a segregation of duties by training and assigning reconciliation duties to an additional accountant. The Finance Department has returned to the practice of processing vendor check runs on a weekly basis. Monthly account statement reconciliations will be required by accounts payable to identify and remediate late or unpaid invoices. All Purchase orders will require proper signatures as required by policy. All fund verifications will be required to have all the proper signatures as required by policy.

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FS 2013-004 — Circumvention of Purchase Order Processes — (Significant Deficiency)

Condition: During our test work of disbursements, we noted that the County was circumventing the purchase order process as follows:

- From our procedures performed over disbursements, purchase orders for auto parts were made for a total of \$47,976.96. These purchase orders were made for amounts just under the \$1,000 County policy that requires quotes. Also, many of these purchase orders were made on the same day, to the same vendor.

Criteria: Section 6.20.2.11 of NMAC requires each County to develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

Effect: The proper disbursement internal controls were not monitored, which increases the risk of misuse of funding by the County.

Cause: The County did not maintain consistency when authorizing purchase orders.

Auditors' Recommendation: We recommend the County follow its procurement policies related to small purchases.

Management's Response: The Finance Department has returned to practices outlined within the purchasing and procurement polices requiring "best obtainable price" or "three valid quotes" to initiate a purchase.

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FS 2013-005 — Maintenance of Long-Term Debt — (Material Weakness/Noncompliance)

Condition: The County has not maintained adequate internal controls in order to properly maintain the Long Term Debt for the year ended June 30, 2013. During our testwork we noted the following items:

- We noted that the County did not have proper monitoring over the posting of debt payments to the general ledger related to lease payments and bond retirements
- The County was unable to produce a debt agreement including the amortization schedule for the Series 2010 USDA GRT Revenue Bond.

Criteria: Section 6.20.2.11 of NMAC requires each County to develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

Effect: The County is at risk of improper or late payments for the debt that is outstanding. Also, the County is at risk of not adhering to debt covenants.

Cause: The turnover in management in the finance department caused documents to be misplaced during the vacancy.

Auditors' Recommendation: The County should implement proper internal control processes to ensure proper documentation is kept in the County's possession.

Management's Response: The Finance Department along with the Bank of Albuquerque acting as the trustee for the repayment of the 2010 USDA Revenue Bond have made multiple requests to the USDA for an updated amortization schedule. Currently, the USDA will mail out a letter to both the County and the Trustee stating the current year principal and interest payments due. The Finance Department will monitor any adjustments and continue to request a final debt amortization schedule from USDA. The current Finance Director will maintain all long term debt.

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FS 2013-006 — Indigent Fund Deficiencies in Internal Control Structure Design, Operation, and Oversight — (Material Weakness/Material Noncompliance)

Condition: The Indigent fund does not have a comprehensive documented internal control structure. The internal control structure does not include controls that allow proper compliance with rules, laws, and regulations, proper documentation of required information to comply with Indigent Hospital and County Health Care Act per Chapter 27 Article 5 NMSA 1978, or effective oversight of internal controls to ensure financial reporting is proper. From our procedures performed we noted the following:

- The County was not able to provide a complete listing of indigent clients for fiscal year 2013
- 1 out of 10 patients tested, the patient was not a County resident yet still was serviced
- 1 out of 10 patients tested, the spousal income was not included in the application
- 1 out of 10 patients tested, the required asset schedule was not included in the application
- 3 out of 10 patients tested, the County paid at full price instead of the required Medicaid rates
- 2 out of 10 patients tested, the application was filed prior to services and did not have proper signatures by the patient
- 3 out of 10 patients tested, the application did not have the updated information of the patient in the file
- 6 out of 10 patients tested, had inadequate documentation of income. The file did not include the required prior 12 months of income, and the affidavit on file was unsigned by the patient
- 1 out of 10 patients tested, the application was not filled out by the patient
- 1 out of 10 patients tested, the proof of residence was not filled out by the proper individual, instead was filled out by the County in pencil and signed by the County
- 1 out of 10 patients tested; there was no application for the patient. The claim was paid without any application processed. The medical care was provided on February 7, 2012 and the Hospital statement was filed on November 15, 2012, over 9 months after service took place. The bill totaled \$588.75 but received a Medicare payment of \$389.83. The remaining amount due equaled \$198.92. Though only \$198.92 was due, the claim was filed and paid for the entire amount
- 1 out of 10 patients tested, it was noted in the application that the patient's mother lives in the household. The mother's income was not taken into account when assessing eligibility. It was also noted that the patient's boyfriend also lived at the same address as the patient, indicating another source of household income not taken into account
- 2 out of the 10 patients tested, payments were made in excess of the allowable limit. Per NMSA27-5-4, claims are not to exceed \$20,000 for one fiscal year (regardless of what year the actual payments are made in

Criteria: Chapter 27 Article 5 NMSA 1978 requires compliance in relation to the Health Care Act. Also, the County should design and maintain an internal control structure that enables it to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The Codification of Statements on Auditing Standards (SAS AU) paragraph 110.03 states that the financial statements are management's responsibility. Management is responsible for adopting sound accounting policies, and for establishing and maintaining internal control that will, among other things, initiate, authorize, record, process, and report transactions (as well as events and conditions) consistent with management's assertions embodied in the financial statements.

The SAS No. 115 Appendix lists the following circumstance as a possible control deficiency, significant deficiency, or material weakness: "inadequate documentation of the components of internal control." SAS 115 paragraph 15 states that ineffective oversight of the agency's financial reporting and internal control by those charged with governance should be regarded as at least a significant deficiency and as a strong indicator of a material weakness in internal control.

Effect: Because there is not an adequate internal control structure or oversight by the governing body, complete and accurate financial data cannot be verified, assets are not properly safeguarded, reconciliations are not performed, or at a minimum not performed on a timely basis, and adequate controls are not in place to prevent or detect intentional

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FS 2013-006 — Indigent Fund Deficiencies in Internal Control Structure Design, Operation, and Oversight — (Material Weakness/Material Noncompliance) (continued)

misstatements of accounting information due to errors or fraud. Also, the County's governing body did not provide effective oversight of internal control and financial reporting processes.

Cause: Management did not have a documented policy to ensure internal controls were in place and working properly to ensure compliance with the Health Care Act. Also, the turnover in management has lead to a lack of effective oversight of internal control and the financial reporting process.

Auditors' Recommendation: The County should ensure that a comprehensive internal control structure is designed, documented and implemented. The body charged with governance should provide effective oversight of the internal control and financial reporting process. Also, proper training should be taken for the new employee in charge of the indigent fund.

Management's Response: Taos County has adopted a new resolution and application, developed and implemented policy and procedures to insure that the client meets all qualifications of eligibility and client files have the proper documentation to determine eligibility and that the County is paying the correct amount to the providers on behalf of the client. Forms have been created and utilized to confirm that eligibility is met. Taos County will strive to have effective oversight to insure compliance with rules, laws, and regulations, proper documentation of required information to comply with Indigent Hospital and County Health Care Act. The County has done the following specific items to address the finding:

- Converted to a new computer system that will generate reports of clients/claims, has a screen to input claim information and payment information to calculate amount owed and cross reference with itemized statement, and tracks claims paid out for each patient and will indicate if it exceeds limit
- Developed and implemented policies and procedures to prevent this error, including:
 - Creating a check list that must be completed of the required qualifications the client must meet to be eligible
 - Created a check list that must be completed of the required qualifications the client must meet to be eligible
 - Adopted a new application that addresses household
 - Adopted new resolution to reflect that County pays Medicaid Rates
 - Adopted new resolution to address expiration of an application and information
 - Summary of Application is filled out and income is calculated and documented on calculation of income to determine income eligibility
 - Power of Attorney must accompany the application if patient is unable to apply, with the exception of the Spouse or Parent of a minor child
 - If verifying information, information will be documented on a summary of activity sheet
 - County staff is prohibited to fill out verification forms
 - Client will be interviewed if application or documentation is questionable to determine eligibility
 - Log sheet of claims paid on behalf of client is kept in clients file

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FS 2013-007 — Annual Inventory — (Noncompliance)

Condition: The County did not certify an annual capital asset inventory of all movable chattels and equipment on the inventory listing.

Criteria: According to State Audit Rule 2.2.2.10 Y Capital Asset Inventory: (2) Section 12-6-10(A) NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the agency's auditors.

Effect: Items could be present on the capital assets listing that do not exist or items could exist that are not on the listing.

Cause: The County has attempted to perform an annual inventory, unfortunately did not complete the count by June 30, 2013.

Auditors' Recommendation: We recommend the County perform an annual inventory and express the importance of this annual inventory to all departments.

Management's Response: The Fixed Assets Manager will perform a complete inventory count at fiscal year end and present the results to the Board of Commissioners for proper verification and approval.

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FS 2013-008 — Internal Controls over Solid Waste Billing — (Significant Deficiency)

Condition: The County has not maintained adequate internal controls in the Solid Waste billing in the following:

- The County does not have proper segregation of duties in the billing process, the office manager can adjust billings, receipt payments, and also performs reviews
- 5 out of 10 adjustments tested, did not have the proper documentation to support the billing adjustment
- 9 out of 10 adjustments tested, did not have evidence of review by the County

Criteria: Section 6.20.2.11 of NMAC requires each County to develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

Effect: The County is at risk of errors or fraud being committed without the County detecting or correcting them.

Cause: The County does not have proper internal controls in place in the solid waste department.

Auditors' Recommendation: The County should implement proper internal control processes in the Solid Waste Department.

Management's Response: The Solid Waste Office Manager is no longer able to collect payments and any adjustments will need to be review by a representative from the Finance Department.

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FS 2013-009 — Travel and Per Diem — (Noncompliance)

Condition: During testwork we noted the following conditions:

- 3 out of 5 transactions tested, the County over paid for actual partial day reimbursement by \$4 to \$20
- 2 out of 5 transactions tested for did not have proper documentation to support the travel for the employee

Criteria: NMAC 2.2.2 G (2) requires the County to comply with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-8, for all per diem and reimbursement rates.

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

Cause: The noncompliance was due to an oversight by management during the travel internal control process.

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

Management's Response: The Taos County policies and procedures were outdated with regard to the New Mexico Per Diem and Mileage Act. Those respective policies will be updated to reflect current regulations.

FS 2013-010 – IPA Recommendation Form and Contract (Other Matter)

Condition: The County submitted the IPA recommendation form and the signed contract to the Office of the State Auditor (OSA) subsequent to the May 1, 2013 regulatory due date.

Criteria: Pursuant to 2.2.2.8(G)(6)(c)(ii) NMAC, the County is required to submit the IPA recommendation and signed audit contract to OSA by May 1st.

Effect: The County is not in compliance with the New Mexico Administration Code.

Cause: The County was unable to approve their IPA recommendation form and contract during the spring due to turnover in management level positions. This resulted in the procurement process of obtaining an auditor being delayed.

Auditors' Recommendation: The County should ensure they prepare the IPA recommendation form and contract with sufficient time to have the approval of all required parties and submit the information to OSA by the required deadline.

Management's Response: IPA recommendation form will be filled out on time in the future.

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HOUSING AUTHORITY FINANCIAL STATEMENT FINDINGS

FSHA 12-01 — Deficiencies in Internal Control Structure Design, Operation, and Oversight — (Material Weakness/Material Noncompliance) (Repeated)

Condition: From procedures performed, we noted the following relating to internal controls:

- There is inadequate internal controls over travel and per diem
- There is a lack of internal controls over capital assets

Criteria: As required by NMSA 1978 Section 6-6-3, the Housing Authority should design and maintain an internal control structure that enables it to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Under SAS 115, the internal control and financial reporting process should have adequate oversight provided by the body charged with governance.

Effect: There is heightened risk that complete and accurate financial data cannot be verified, assets are not properly safeguarded, reconciliations are not performed, or at a minimum not performed on a timely basis, and adequate controls are not in place to prevent or detect intentional misstatements of accounting information due to errors or fraud.

Cause: Due to the Housing Authority being taken over by the County, there was no management oversight during the change.

Auditors' Recommendation: The Housing Authority should follow the internal controls that are in place at the County.

Management's Response: Management concurs with the finding and cause, with the following clarifications:

- (a.) The audit period represents a fiscal year in which the County had direct control of all finances for only a portion of the year. County internal controls were therefore not in force for the full period audited.
- (b.) Housing Authority staffing was frozen during the investigation and therefore inadequately qualified or trained staff could not be replaced or supplemented.
- (c.) The County only anticipated serving as a caretaker for the Housing Authority for 6 months until HUD, NM MFA or the Northern Regional Housing Authority could assume operations, not fully rebuilding the management, staffing and financial systems and internal controls of the agency. However, delays in funding at the state and federal level unexpectedly stalled the transition.
- (d.) Internal controls of the County are now fully instituted and many of the financial functions have been transferred to or supplemented by County Finance department staff.
- (e.) The positions of all free standing Housing Authority financial staff have subsequently been eliminated or absorbed into the County and all key managers have been terminated and replaced.
- (f.) Housing Authority management and operational functions will be transferred to the Northern Regional Housing Authority by January 1, 2013

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FSHA 12-06 — Capital Assets Listing — (Material Weakness/Material Noncompliance) (Repeated)

Condition: During our audit procedures we found the following related to capital assets:

- a. The Housing Authority did not perform an annual inventory of capital assets
- b. The Housing Authority did not provide sufficient audit evidence for capital assets in their listing to prove accuracy and completeness of their capital asset listing.

Criteria: Per section 2.20.1.10 of NMAC, capital assets acquired through purchase shall be recorded at cost. Capital assets include assets constructed by agency personnel. Per Section 2.20.1.14 of NMAC, repairs and maintenance on capital assets which are routine and necessary for continued, safe, and productive operation, should be charged to maintenance expense in the period in which they occur. GASB 34 paragraph 20 requires capital assets to be reported, net of accumulated depreciation, in the statement of net position. Section 12-6-10, NMSA 1978, requires all agencies to conduct a physical inventory of their capital assets inventory at the end of each fiscal year. Section 12-6-10, NMSA 1978 also changed the capitalization threshold to items that cost more than \$5,000, effective June 17, 2005.

Effect: There are more assets included on the capital assets listing than are allowed by the State's capitalization policy. While not material to the financial statements, in continuing with this capitalization policy the Authority is overstating its capital assets and depreciation expense while understating actual expenses because the expenses are being capitalized rather than expensed.

Cause: The Housing Authority has not ensured compliance with the State Auditor requirements related to capital assets.

Auditors' Recommendation: We recommend that the Housing Authority maintain capital assets records and record depreciation only for those assets with a cost in excess of \$5,000. For accountability purposes, the Housing Authority should track assets in accordance with the existing policy, although these assets should not be included in the capital assets reported on the financial statements.

Management's Response: Management concurs with the finding and cause, with the following clarifications:

- (a.) Prior to the County assuming management control of the Housing Authority, the Authority had not maintained a capital asset inventory throughout its 30 year history. Upon the County assuming management a full inventory was conducted, however, it was impossible to establish the initial costs/value of assets at construction or purchase for which documentation no longer existed. This was particularly true of real estate and dwelling units the County Housing Authority inherited from the Town of Taos Housing Authority by resolution, without appraisals, deeds, property descriptions, or documentation of value at the time of acquisition or construction. The Town Housing Authority went out of business over a decade ago and no records existed to provide this information based on searches by the County, Town and MFA's attorneys.
- (b.) All Housing Authority management and operational functions will be transferred to the Northern Regional Housing Authority by January 1, 2013 and all assets transferred through HUD to the Regional Authority by June 30, 2014.
- (c.) All Management staff have been terminated and replaced and all financial staff have been dismissed or transferred to other functions

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FSHA 12-07 — Preparation of Financial Statements — (Material Weakness) (Repeated)

Condition: The financial statements and related disclosures are not being prepared by the Agency.

Criteria: According to the American Institute of Certified Public Accountants' Statement on Auditing Standards No. 115, a system of internal control over financial reporting does not stop at the general ledger. Well designed systems include controls over financial statement preparation, including footnote disclosures.

Effect: When sufficient controls over the preparation of financial statements and related disclosures are not designed, implemented and operating effectively, an entity's ability to prevent or detect a misstatement in its financial statements is limited.

Cause: The Agency's personnel do not have the time and have not been adequately trained in understanding the elements of external financial reporting, including the preparation of financial statements and related footnote disclosures.

Auditors' Recommendation: We recommend the Agency's management and personnel receive training on understanding the requirements of external financial reporting.

The training should include, but not be limited to:

- Selection of appropriate accounting policies:
 - Governmental Accounting Standards Board (GASB)
 - Generally Accepted Accounting Principles (specifically as applied to governmental units)
 - Financial Accounting Standards Board (FASB)
- Understanding the financial reporting entity
- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements
- Required supplementary information
 - Management's discussion and analysis
- Supplementary information required by the Office of the State Auditor

In addition, we recommend that the Agency develop and implement policies and procedures designed to prevent or detect possible misstatements in its financial statements and related footnote disclosures.

Management's Response: Management concurs with the finding and cause, with the following clarifications:

- (a.) Financial statements for the Housing Authority are prepared by a fee accountant for the Housing Authority.
- (b.) County Finance department staff are being trained to prepare all financial statements internally.
- (c.) All Housing Authority management and operational functions will be transferred to the Northern Regional Housing Authority by January 1, 2013 and all assets transferred through HUD to the Regional Authority by June 30, 2014.

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FSHA 12-08 — Travel and Per Diem — (Noncompliance) (Repeated)

Condition: During testwork we noted the following condition:

- 1 out of 5 transactions tested, the Housing Authority did not authorize the travel before the employee left.

Criteria: NMAC 2.2.2.10 G (2) requires the Housing Authority to comply with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-8, for all per diem.

Effect: Unauthorized travel and per diem expenditures may be processed and paid without proper approval and rate calculation. Noncompliance with statutes may subject officials and employees to punishment as defined by state statutes.

Cause: The Housing Authority did not maintain policies and procedures to ensure that documentation is properly reviewed to ensure compliance with the Authority's policies which follow State Statutes.

Auditors' Recommendation: We recommend the Authority review State Statute NMAC 2.42.2 periodically to ensure compliance as well as use preformatted forms to ensure proper reimbursement rates.

Management's Response:

- (a.) The audit period represents a fiscal year in which the County had direct control of all finances for only a portion of the year. County internal controls were therefore not in force for the full period audited.
- (b.) Housing Authority staffing was frozen during the investigation and therefore inadequately qualified or trained staff could not be replaced or supplemented.
- (c.) The County only anticipated serving as a caretaker for the Housing Authority for 6 months until HUD, NM MFA or the Northern Regional Housing Authority could assume operations, not fully rebuilding the management, staffing and financial systems and internal controls of the agency. However, delays in funding at the state and federal level unexpectedly stalled the transition.
- (d.) Internal controls of the County are now fully instituted and many of the financial functions have been transferred to or supplemented by County Finance department staff.
- (e.) The positions of all free standing Housing Authority financial staff have subsequently been eliminated or absorbed into the County.
- (f.) All Housing Authority management and operational functions will be transferred to the Northern Regional Housing Authority by January 1, 2013.

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FSHA 12-10 — Security Deposits and FSS Escrow Not Matching the Restricted Cash Accounts — (Material Weakness) (Repeated)

Condition: The restricted tenant deposits account does not match the liability account balances for the respective deposits. The tenant deposits account is specifically set up for tenants' deposits that are owed to the individual upon cancellation of service.

Criteria: Good accounting practices require that security deposit liabilities should be reconciled to the related security deposit bank account.

Effect: The deposit liability balance for the Public Housing tenant account is not accurate.

Cause: The monies in the bank are not being reconciled to the deposit listings maintained by the Housing Authority.

Auditors' Recommendation: The tenant deposits liability account should be reconciled with the tenant deposits account throughout the year.

Management's Response:

- (a.) When the County assumed control of the Housing Authority it was clear that programmatic staff for the FSS program were inadequately trained to operate the program and that regulations were not being followed. The management and FSS staff were subsequently dismissed and HUD defunded the program, leaving no staffing familiar with the regulations to reconcile the accounts and close out the program. The County is in the process of reconciling the outstanding accounts and closing the program.
- (b.) The audit period represents a fiscal year in which the County had direct control of all finances for only a portion of the year. County internal controls were therefore not in force for the full period audited.
- (c.) Housing Authority staffing was frozen during the investigation and therefore inadequately qualified or trained staff could not be replaced or supplemented.
- (d.) The County only anticipated serving as a caretaker for the Housing Authority for 6 months until HUD, NM MFA or the Northern Regional Housing Authority could assume operations, not fully rebuilding the management, staffing and financial systems and internal controls of the agency. However, delays in funding at the state and federal level unexpectedly stalled the transition.
- (e.) Internal controls of the County are now fully instituted and many of the financial functions have been transferred to or supplemented by County Finance department staff.
- (f.) The positions of all free standing Housing Authority financial staff have subsequently been eliminated or absorbed into the County.

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SECTION III- HOUSING AUTHORITY FEDERAL AWARD FINDINGS

FA 2012-001 — (FAHA 12-01) — Excluded Parties List — (Material Weakness) (Repeated)

Federal Program Information:

Funding agency: U.S. Department of Housing and Urban Development
Title: Public and Indian Housing
CFDA number: 14.850

Title: Section 8 Housing Choice Vouchers
CFDA number: 14.871

Condition: During our review of the procurement process, for all major programs tested, it was noted the Housing Authority does not reference the Excluded Parties List System contracts of goods or services in which more than \$25,000 is expended.

Criteria: OMB A-133 stipulates non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered Transactions" include those procurement contracts for goods and services awarded under a nonprocurement transaction that is expected to equal or exceed \$25,000 or meet other certain specified criteria.

Questioned Costs: Undeterminable

Effect: The Housing Authority could be contracting with vendors for services or goods that are included on the suspension and debarment listing which potentially decrease federal funding received since this is considered non-compliance.

Cause: The Housing Authority has not implemented checking the Excluded Parties List System website into their purchasing process.

Auditors' Recommendation: We recommend that the Housing Authority implement procedures to ensure all vendors for services and goods over \$25,000 be verified that they do not exist on the suspension and debarment listing.

Management's Response: Management concurs with the finding and cause, with the following clarifications:

- (a.) The audit period represents a fiscal year in which the County had direct control of all finances for only a portion of the year. County internal controls were therefore not in force for the full period audited.
- (b.) Housing Authority staffing was frozen during the investigation and therefore inadequately qualified or trained staff could not be replaced or supplemented.
- (c.) The County only anticipated serving as a caretaker for the Housing Authority for 6 months until HUD, NM MFA or the Northern Regional Housing Authority could assume operations, not fully rebuilding the management, staffing and financial systems and internal controls of the agency. However, delays in funding at the state and federal level unexpectedly stalled the transition.
- (d.) Internal controls of the County are now fully instituted and many of the financial functions have been transferred to or supplemented by County Finance department staff.
- (e.) The positions of all free standing Housing Authority financial staff have subsequently been eliminated or absorbed into the County.
- (f.) The County now has and verifies bids, work, and expenditures against the Excluded Parties List as part of its procurement process for the County Housing Authority.
- (g.) All Housing Authority management and operational functions will be transferred to the Northern Regional Housing Authority by January 1, 2013.

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

FA 2012-002 (FAHA 12-02) — Deficiencies in Internal Control Structure Design, Operation and Oversight – Mechanisms to Identify Risks of Inaccurate Financial Reporting — (Material Weakness) (Repeated)

Federal Program Information:

Funding agency: U.S. Department of Housing and Urban Development
Title: Public and Indian Housing
CFDA number: 14.850

Title: Section 8 Housing Choice Vouchers
CFDA number: 14.871

Condition: The Housing Authority does not have the mechanisms in place to identify risks of faulty reporting caused by items such as lack of current knowledge, inconsistent application, or carelessness or disregard for standards and reporting requirements of federal awards.

Criteria: The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require mechanisms to identify risks of faulty reporting be established.

Questioned Costs: Undeterminable

Effect: Because the internal control structure is inadequate and not documented, management and staff are unsure about what procedures and processes to follow or what key controls are in place to properly safeguard assets. Adequate controls are not in place to prevent or detect intentional misstatements of accounting information.

Cause: For the fiscal year 2012 management did not have a documented policy to ensure internal controls were in place and working properly. Also, the governing body was unaware of requirements under the A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) that require management to establish and maintain internal controls over Federal awards.

Auditors' Recommendation: The Housing Authority should ensure that a comprehensive internal control structure, including mechanisms to identify risks of faulty reporting, is designed, documented, and implemented. The body charged with governance should provide effective oversight of the internal control and financial reporting process.

Management's Response: Management concurs with the finding and cause, with the following clarifications:

- (a.) The audit period represents a fiscal year in which the County had direct control of all finances for only a portion of the year. County internal controls were therefore not in force for the full period audited.
- (b.) Housing Authority staffing was frozen during the investigation and therefore inadequately qualified or trained staff could not be replaced or supplemented.
- (c.) The County only anticipated serving as a caretaker for the Housing Authority for 6 months until HUD, NM MFA or the Northern Regional Housing Authority could assume operations, not fully rebuilding the management, staffing and financial systems and internal controls of the agency. However, delays in funding at the state and federal level unexpectedly stalled the transition.
- (d.) Internal controls of the County are now fully instituted and many of the financial functions have been transferred to or supplemented by County Finance department staff.
- (e.) The positions of all free standing Housing Authority financial staff have subsequently been eliminated or absorbed into the County.
- (f.) All Housing Authority management and operational functions will be transferred to the Northern Regional Housing Authority by January 1, 2013.

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Taos County
Schedule of Findings and Questioned Costs
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FA 2012-003 (FAHA 12-03) — Deficiencies in Internal Control Structure Design, Operation and Oversight – Tracking Property and Equipment Purchased with Federal Award Funds — (Material Weakness) (Repeated)

Federal Program Information:

Funding agency: U.S. Department of Housing and Urban Development
Title: Public and Indian Housing
CFDA number: 14.850

Condition: During FY 2013, management did not track any capital assets, including property and equipment purchased with federal awards.

Criteria: The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that non-Federal entities receiving Federal awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Good internal controls require that management track any property and equipment purchased with federal award funds.

Questioned Costs: None

Effect: Because the internal control structure is inadequate and not documented, management and staff are unsure about what procedures and processes to follow or what key controls are in place to properly safeguard assets. Adequate controls are not in place to prevent or detect intentional misstatements of accounting information.

Cause: For the fiscal year 2013 management did not have a documented policy to ensure internal controls were in place and working properly. Also, the governing body was unaware of requirements under the A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) that require management to establish and maintain internal controls over Federal Awards.

Auditors' Recommendation: The Housing Authority should ensure that a comprehensive internal control structure, including tracking of property and equipment purchased with federal award funds, is designed, documented, and implemented. The body charged with governance should provide effective oversight of the internal control and financial reporting process.

Management's Response:

- (a.) The audit period represents a fiscal year in which the County had direct control of all finances for only a portion of the year. County internal controls were therefore not in force for the full period audited.
- (b.) Prior to the County assuming management control of the Housing Authority, the Authority had not maintained a capital asset inventory throughout its 30 year history. Upon the County assuming management a full inventory was conducted, however, it was impossible to establish the initial costs/value of assets at construction or purchase for which documentation no longer existed. This was particularly true of real estate and dwelling units the County Housing Authority inherited from the Town of Taos Housing Authority by resolution, without appraisals, deeds, property descriptions, or documentation of value at the time of acquisition or construction. The Town Housing Authority went out of business over a decade ago and no records existed to provide this information based on searches by the County, Town and MFA's attorneys.
- (c.) When the County assumed control of the Housing Authority it was clear that programmatic staff for the CFP program were inadequately trained to operate the program and that regulations were not being followed. All management and CFP staff were subsequently dismissed and the County requested HUD to perform supplemental field audits of all capital grants and capital accounts to ensure that all expenditures and assets were correctly accounted for.
- (d.) Housing Authority staffing was frozen during the investigation and therefore inadequately qualified or trained staff could not be replaced or supplemented.

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FA 2012-003 (FAHA 12-03) — Deficiencies in Internal Control Structure Design, Operation and Oversight – Tracking Property and Equipment Purchased with Federal Award Funds — (Material Weakness) (Repeated) (continued)

- (e.) The County only anticipated serving as a caretaker for the Housing Authority for 6 months until HUD, NM MFA or the Northern Regional Housing Authority could assume operations, not fully rebuilding the management, staffing and financial systems and internal controls of the agency. However, delays in funding at the state and federal level unexpectedly stalled the transition.
- (f.) Internal controls of the County are now fully instituted and many of the financial functions have been transferred to or supplemented by County Finance department staff.
- (g.) The positions of all free standing Housing Authority financial staff have subsequently been eliminated or absorbed into the County.
- (h.) All Housing Authority management and operational functions will be transferred to the Northern Regional Housing Authority by January 1, 2013

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FA 2012-004 (FAHA 12-04) — Reporting — Noncompliance

Federal Program Information:

Funding agency: U.S. Department of Housing and Urban Development
Title: Public and Indian Housing
CFDA number: 14.850

Title: Section 8 Housing Choice Vouchers
CFDA number: 14.871

Condition: The required report was not submitted within the required time frame for the year ended June 30, 2013.

Criteria: For each public and Indian housing grant that involved development, operating, or modernization assistance, the prime recipient must submit Form HUD 60002 (24 CFR sections 135.3(a) and 135.90).

Questioned Costs: None

Effect: Form HUD 60002 was not submitted timely and the Authority is not in compliance with reporting requirements for its federal programs.

Cause: Procedures were not in place to ensure that the Housing Authority submitted this form within the required time frame set forth by HUD.

Auditors' Recommendation: The Housing Authority should establish procedures ensuring that reports are completed and submitted in a timely manner and in compliance with HUD requirements.

Management's Response: Management was unable to respond

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FA 2012-005 (FAHA 12-05) — Lack of Proper Documentation in Tenant Files – Low Rent — (Material Weakness/Noncompliance) (Repeated/Modified)

Federal Program Information:

Funding agency: U.S. Department of Housing and Urban Development
Title: Public and Indian Housing
CFDA number: 14.850

Condition: During testwork the following documentation was found to be missing from tenant files:

- In 7 out of 51 tenants selected for testwork, current signed consent forms were not in the file.
- In 8 out of 51 tenants selected for testwork, incorrect rent payments were required of tenants due to incorrect preparation of forms HUD-50058. The net effect of these errors calculated by the auditor represented \$428 in overcharged rent.
- In 1 out of 51 tenants selected for testwork, no application was retained in the file.

Criteria: In accordance with 24 CFR part 5, subpart F (24 CFR sections 5.601 et seq., and 24 CFR sections 960.253, 690.255, and 960.259), the Housing Authority is required to determine income eligibility and calculate the tenant's rent payments using the documentation from third-party verification.

Questioned Costs: None

Effect: The Housing Authority could be providing services to tenants who are not eligible for the program. As a result, it could affect funding for the program.

Cause: Files from Taos County Housing Authority lacked proper documentation and the files were not periodically reviewed to ensure that all necessary documentation was on file.

Auditors' Recommendation: Management should implement an internal control structure to ensure that all files have the necessary supporting documentation to comply with eligibility and special reporting requirements as identified by the Department of Housing and Urban Development.

Management's Response: Management concurs with the finding and cause, with the following clarifications:

- (a.) The audit period represents a fiscal year in which the County had direct control of all finances, staff and programmatic functions for only a portion of the year. County programmatic oversight, management, personnel and internal controls were therefore not in force for the full period audited.
- (b.) Housing Authority staffing was frozen during the investigation and therefore inadequately qualified or trained staff could not be replaced or supplemented.
- (c.) The County only anticipated serving as a caretaker for the Housing Authority for 6 months until HUD, NM MFA or the Northern Regional Housing Authority could assume operations, not fully rebuilding the management, staffing and financial systems and internal controls of the agency. However, delays in funding at the state and federal level unexpectedly stalled the transition.
- (d.) Internal financial and programmatic quality controls by County management are now fully instituted.
- (e.) At the direction of HUD, the County hired an interim management agency which reorganized the Low Rent records to meet their system and guidelines; resulting in their removing some documentation from files and instituting policies and approving applications not consistent with HUD guidelines. The contractor was dismissed.
- (f.) All prior agency and Low Rent management and staffing have been dismissed and replaced.
- (g.) The County is aware of the problem and is going backwards to correct those files which have not come up for renewal yet, as time permits.
- (h.) All Housing Authority management and operational functions will be transferred to the Northern Regional Housing Authority by January 1, 2013.

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FA 2012-006 (FAHA 12-06) — Lack of Proper Documentation in Tenant Files – Section 8 — (Material Weakness/Noncompliance)

Federal Program Information:

Funding agency: U.S. Department of Housing and Urban Development
Title: Section 8 Housing Choice Vouchers
CFDA number: 14.871

Condition: During testwork the following documentation was found to be missing from tenant files:

- In 1 out of 60 tenants selected for testwork, current signed consent forms were not in the file.
- In 8 out of 60 tenants selected for testwork, HAP payments to landlords and related tenant rent payments to landlords were miscalculated due to incorrect preparation of forms HUD-50058. Questioned costs – overpaid HAP payments – in the sample totaled \$1,285. When extrapolated to the population, the auditor calculated total likely questioned costs of \$11,520.
- In 2 out of 60 tenants selected for testwork, income for self-employed individuals was based on gross income reported on the Schedule C for the individual's federal income tax return. Per program regulations, income should be reported net of business expenses – other than accelerated depreciation. The total error discovered as a result of this issue was that the Authority required one of the tenants to pay an extra \$18 in tenant rent payments.
- In 1 out of 60 tenants selected for testwork, no third-party verification of income was present in the file. Amounts used for calculations in the HUD-50058 were less than those reported by the client.

Criteria: In accordance with 24 CFR sections 5.230, 5.609, and 982.516, as a condition of admission or continued occupancy, the Housing Authority must require the tenant and other family members to provide necessary information, documentation, and releases for the PHA to verify income eligibility. The Housing Authority is also required to re-examine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third-party verification.

Questioned Costs: \$11,520

Effect: The Housing Authority could be providing services to tenants who are not eligible for the program. As a result, it could affect funding for the program.

Cause: Files from Taos County Housing Authority lacked proper documentation and management of the Housing Authority did not provide sufficient monitoring to ensure that tenant files and eligibility determinations were being performed timely.

Auditors' Recommendation: Management should implement an internal control structure to ensure that all files have the necessary supporting documentation to comply with eligibility and special reporting requirements as identified by the Department of Housing and Urban Development.

Management's Response: Management concurs with the finding and cause, with the following clarifications:

- (a.) The audit period represents a fiscal year in which the County had direct control of all finances, staff and programmatic functions for only a portion of the year. County programmatic oversight, management, personnel and internal controls were therefore not in force for the full period audited.
- (b.) Housing Authority staffing was frozen during the investigation and therefore inadequately qualified or trained staff could not be replaced or supplemented.
- (c.) The County only anticipated serving as a caretaker for the Housing Authority for 6 months until HUD, NM MFA or the Northern Regional Housing Authority could assume operations, not fully rebuilding the management, staffing and financial systems and internal controls of the agency. However, delays in funding at the state and federal level unexpectedly stalled the transition.
- (d.) Internal financial and programmatic quality controls by County management are now fully instituted.

STATE OF NEW MEXICO
Taos County
Schedule of Findings and Questioned Costs
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FA 2012-006 (FAHA 12-06) — Lack of Proper Documentation in Tenant Files – Section 8 — (Material Weakness/Noncompliance) (continued)

- (e.) At the direction of HUD, the County hired an interim management agency which reorganized the Section 8 records to meet their system and guidelines; resulting in their removing some documentation from files and instituting policies and approving applications not consistent with HUD guidelines. The contractor was dismissed.
- (f.) All prior agency and Section 8 management have been dismissed and replaced. The one remaining Section 8 staff member has been retrained in proper procedures and documentation and a second Section 8 staff position is currently being advertised to reduce the workload and assist in correcting back records.
- (g.) The County is aware of the problem and is going backwards to correct those files which have not come up for renewal yet, as time permits.

All Housing Authority management and operational functions will be transferred to the Northern Regional Housing Authority by January 1, 2013.

Section IV – Prior Year Audit Findings

Prior Year Audit Findings- Financial Statement

FS 10-01 Capital Asset Accounting System – Significant Deficiency- Resolved

FSHA 12-01 Deficiencies in Internal Control Structure Design, Operation, and Oversight – Material Weakness/Material Noncompliance - Repeated

FSHA 12-02 Internal Controls/Segregation of Duties – Material Weakness - Resolved

FSHA 12-03 Internal Control Deviations – Disbursements – Material Weakness/Material Noncompliance - Resolved

FSHA 12-04 Insufficient Documentation on Credit Cards – Material Weakness/Material Noncompliance - Resolved

FSHA 12-05 Lack of Internal Controls Over Voided Checks – Material Weakness - Resolved

FSHA 12-06 Capital Assets Listing – Material Weakness/Material Noncompliance - Repeated

FSHA 12-07 Preparation of Financial Statements – Material Weakness - Repeated

FSHA 12-08 Travel and Per Diem – Other Matter - Repeated

FSHA 12-09 Lack of Oversight by Board – Material Weakness - Resolved

FSHA 12-10 Security Deposits and FSS Escrow Not Matching the Restricted Cash Accounts – Material Weakness - Repeated

FSHA 12-11 RHC Reports and the General Ledger – Other Matter - Resolved

FSHA 12-12 Deficiencies in Internal Control Structure Design, Operation and Oversight – Risk Appetite – Material Weakness - Resolved

FSHA 12-13 Deficiencies in Internal Control Structure Design, Operation and Oversight – Process Procedures– Material Weakness - Resolved

FSHA 12-14 Deficiencies in Internal Control Structure Design, Operation and Oversight – Financial Data – Material Weakness - Resolved

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Section IV – Prior Year Audit Findings (continued)

FSHA 12-15 Cash Activity Not Recorded – Material Weakness - Resolved

FSHA 12-16 Journal Entries – Material Weakness - Resolved

FSHA 12-17 Incomplete Trial Balance – Material Weakness - Resolved

Prior Year Audit Findings- Federal Award

FAHA 12-01 - Excluded Parties List – Significant Deficiency - Repeated

FAHA 12-02 - Deficiencies in Internal Control Structure Design, Operation and Oversight – Mechanisms to Identify Risks of Inaccurate Financial Reporting – Material Weakness - Repeated

FAHA 12-03 - Deficiencies in Internal Control Structure Design, Operation and Oversight – Tracking Property and Equipment Purchased with Federal Award Funds – Material Weakness - Repeated

FAHA 12-04 - Reporting – Noncompliance - Repeated

FAHA 12-05 - Lack of Proper Documentation in Tenant Files – Low Rent – Material Weakness/Noncompliance - Repeated

FAHA 12-06- Lack of Proper Documentation in Tenant Files – Section 8 – Material Weakness/Noncompliance - Repeated

STATE OF NEW MEXICO

Taos County
Other Disclosures
June 30, 2013

OTHER DISCLOSURES

Exit Conference

An exit conference was held on November 12, 2013. In attendance were the following:

Representing Taos County:

Daniel R. Barrone	Commissioner - Chairman
Gabriel J. Romero	Commissioner
Stephen P. Archuleta	County Manager
Susan K. Trujillo	County Treasurer
Leandro R. Cordova	Finance Director
Tammy M. Jaramillo	Indigent Fund Coordinator
Paula Santistevan	Senior Treasurer Account
Mary Anne Gonzales	Treasurer Accountant
Clare Cordova	Chief Deputy Treasurer

Representing Accounting & Consulting Group, LLP:

Ray Roberts, CPA	Managing Partner
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Auditor Prepared Financial Statements

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