



State of New Mexico

Taos County

Annual Financial Report

For the Year Ended June 30, 2014



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INTRODUCTORY SECTION

STATE OF NEW MEXICO

Taos County
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June 30, 2014

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STATE OF NEW MEXICO

Taos County
Official Roster
June 30, 2014

<u>Name</u>		<u>Title</u>
	<u>County Commissioners</u>	
Gabriel J. Romero		Commissioner - Chairman
Larry Sanchez		Commissioner - Vice Chairman
Joe Mike Duran		Commissioner
Daniel R. Barrone		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 comparison for the general fund of Taos County, New Mexico (the County), as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the major capital projects fund, and all nonmajor funds presented as supplementary information, as defined by the Governmental Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Taos County as of June 30, 2014, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County, as of June 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital projects fund and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* on pages 12 through 20 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations* and Supporting Schedules I through VI required by section 2.2.2 NMAC are presented for purposes 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 section 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Supporting Schedules I through VI required by section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic 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 10, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP
Albuquerque, New Mexico
November 10, 2014

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

As management of Taos County, we offer readers of Taos County financial statements this narrative overview and analysis of the financial activities of Taos County for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with the financial statements of Taos County and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of Taos County exceeded its liabilities at the close of the most recent fiscal year by \$67,602,636 (*net position*)
- The government's total net position decreased by \$12,382,376 during the fiscal year.
- As of June 30, 2014, the County's governmental funds reported combined ending fund balances of \$31,101,082. Approximately 11% of this total amount, \$3,344,899, is unreserved fund balance available for spending at the government's discretion.
- At the close of the current fiscal year, unassigned fund balance for the general fund was \$3,344,899, or 35 percent of total general fund expenditures of \$9,567,888.
- Taos County's total debt increased by \$18,328,984, during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of Taos County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of Taos County include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the County include Solid Waste, Ambulance, and Housing Authority.

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

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

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

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

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

Taos County maintains fifty-four individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund and the Educational Bond Fund are considered to be major funds. Data from the other fifty-two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found at Exhibits B-1 through C-1 of this report.

Proprietary funds. Proprietary funds are generally used to account for services for which the County charges customers – either outside customers or internal units or departments of the County. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The County maintains one type of proprietary fund:

Enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the operations of the Solid Waste, Ambulance, and Housing Authority operations of the County. The enterprise funds are considered to be major funds of the County.

The basic proprietary fund financial statements can be found at Exhibits D-1 through D-3 of this report.

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

Taos County fiduciary funds account for the collection of property taxes and special fees and their remittance to other governmental agencies.

The basic fiduciary fund financial statement can be found at Exhibit E-1 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-61 of this report.

Combining statements. The combining statements referred to earlier in connection with non-major governmental funds and major debt service funds and major proprietary funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 68-146 of this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Taos County, assets exceeded liabilities by \$67,602,636 at the close of the current fiscal year.

The largest portion's of Taos County's net position represents the County's investment of \$56,151,371 in capital assets (e.g., land improvements, buildings, infrastructure and machinery & equipment) less any related outstanding debt used to acquire those assets. Taos County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Taos County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TAOS COUNTY'S NET POSITION*
June 30, 2014 and 2013

	2014		
	Governmental Activities	Business Type Activities	Total
Assets			
Current and other assets	\$ 21,386,307	\$ 1,736,484	\$ 23,122,791
Capital assets, net of accumulated depreciation	91,368,822	7,873,974	99,242,796
Other noncurrent assets	11,896,539	387,991	12,284,530
Total assets	\$ 124,651,668	\$ 9,998,449	\$ 134,650,117
Liabilities			
Long-term liabilities outstanding	\$ 62,011,797	\$ 26,904	\$ 62,038,701
Other liabilities	4,704,457	304,323	5,008,780
Total liabilities	66,716,254	331,227	67,047,481
Net Positon			
Net investment in capital assets	47,977,397	8,173,974	56,151,371
Restricted	5,526,140	11,101	5,537,241
Unrestricted	4,431,877	1,482,147	5,914,024
Total net position	57,935,414	9,667,222	67,602,636
Total liabilities and net position	\$ 124,651,668	\$ 9,998,449	\$ 134,650,117

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

	2013		
	Governmental Activities	Business Type Activities	Total
Assets			
Current and other assets	\$ 18,436,580	\$ 1,544,967	\$ 19,981,547
Capital assets, net of accumulated depreciation	92,136,892	8,415,096	100,551,988
Other noncurrent assets	6,806,746	238,649	7,045,395
Total assets	\$ 117,380,218	\$ 10,198,712	\$ 127,578,930
Liabilities			
Long-term liabilities outstanding	\$ 45,693,756	\$ 116,813	\$ 45,810,569
Other liabilities	2,684,596	153,126	2,837,722
Total liabilities	48,378,352	269,939	48,648,291
Net Position			
Net investment in capital assets	45,074,451	8,415,096	53,489,547
Restricted	16,721,809	172,865	16,894,674
Unrestricted	7,205,606	1,340,812	8,546,418
Total net position	69,001,866	9,928,773	78,930,639
Total liabilities and net position	\$ 117,380,218	\$ 10,198,712	\$ 127,578,930

At the end of the current and prior fiscal years, Taos County is able to report positive balances in all three categories of net position, for the government as a whole as well as for the business-type activities.

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

Analysis of Changes in Net Position

The County's net position decreased by \$12,382,376 during the current fiscal year, this decrease is explained in the government and business-type activities discussion below, and is primarily a result of the capitalization of capital asset acquisitions and infrastructure improvements.

**Changes in Net Position
For the Years Ended June 30, 2014 and 2013**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Revenues			
Program revenues:			
Charges for services	\$ 2,061,362	\$ 2,484,104	\$ 4,545,466
Operating grants and contributions	8,813,491	2,471,886	11,285,377
Capital grants and contributions	852,267	25,650	877,917
General revenues:			
Property taxes	10,321,484	-	10,321,484
Gross receipts taxes	6,164,629	260,850	6,425,479
Other taxes	448,499	-	448,499
Investment income	20,772	274	21,046
Miscellaneous revenue	612,356	1,006	613,362
Transfers	(602,323)	602,323	-
Special item- donated assets	177,787	-	177,787
Total Revenues	<u>28,870,324</u>	<u>5,846,093</u>	<u>34,716,417</u>
Program expenses:			
General government	12,797,050	-	12,797,050
Public safety	4,198,753	-	4,198,753
Culture and recreation	277,411	-	277,411
Health and welfare	1,203,787	-	1,203,787
Education	15,055,863	-	15,055,863
Public works	4,054,975	-	4,054,975
Interest on long-term debt	2,348,937	-	2,348,937
Business-type activities	-	7,162,017	7,162,017
Total Expenses	<u>39,936,776</u>	<u>7,162,017</u>	<u>47,098,793</u>
Change in net position	(11,066,452)	(1,315,924)	(12,382,376)
Net position - beginning of year	69,001,866	9,928,773	78,930,639
Net position - restatement	-	1,054,373	1,054,373
Net position - as restated	<u>69,001,866</u>	<u>10,983,146</u>	<u>79,985,012</u>
Net position - ending	<u>\$ 57,935,414</u>	<u>\$ 9,667,222</u>	<u>\$ 67,602,636</u>

Governmental activities. Governmental activities decreased Taos County's net position by \$11,066,452. The County had education bond expenditures in the amount of \$15,055,863 in the current year.

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Management's Discussion and Analysis
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Business-type activities. Business-type activities decreased the County's net position by \$1,315,924. This decrease is primarily attributed to a decline in revenues by \$3,473,346 from the prior year.

	2013		
	Governmental Activities	Business-Type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 1,698,631	\$ 8,367,384	\$ 10,066,015
Operating grants and contributions	3,506,929	-	3,506,929
Capital grants and contributions	4,045,382	-	4,045,382
General revenues:			
Property taxes	9,521,697	-	9,521,697
Gross receipts taxes	7,878,495	-	7,878,495
Other taxes	437,100	206,074	643,174
Investment income	80,041	420	80,461
Miscellaneous income	677,908	122,204	800,112
Transfers	(623,357)	623,357	-
Loss on disposal of assets	(9,774)	-	(9,774)
Total Revenues	27,213,052	9,319,439	36,532,491
Program expenses:			
General government	10,267,263	-	10,267,263
Public safety	4,587,696	-	4,587,696
Culture and recreation	333,208	-	333,208
Health and welfare	1,379,751	-	1,379,751
Education	399,068	-	399,068
Public works	4,105,872	-	4,105,872
Interest on long-term debt	2,014,778	-	2,014,778
Business-type activities	-	9,652,742	9,652,742
Total Expenses	23,087,636	9,652,742	32,740,378
Change in net position	4,125,416	(333,303)	3,792,113
Net position - beginning of year	69,237,515	10,262,076	79,499,591
Net position - restatement	(4,361,065)	-	(4,361,065)
Net position - as restated	64,876,450	10,262,076	75,138,526
Net position - ending	\$ 69,001,866	\$ 9,928,773	\$ 78,930,639

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

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

Governmental funds. The focus of Taos County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Taos County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of Governmental funds reported by the County include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

As of the end of the current fiscal year, Taos County's governmental funds reported combined ending fund balances of \$31,101,082, an increase of \$7,562,493 in comparison with the prior year. Approximately 11 percent of this total amount, \$3,344,899 constitutes *unassigned fund balance*, which is available for spending at the government's discretion, and 89 percent of this total amount, \$27,756,183, is *nonspendable, restricted, or committed for budgeted items*.

Revenues for governmental funds overall totaled \$29,104,074 in the fiscal year ended June 30, 2014 which represents an increase of \$1,136,757 from the fiscal year ended June 30, 2013. Expenditures for governmental funds totaled \$43,121,599, which increased by \$17,434,643 from the fiscal year ended June 30, 2013. In the fiscal year ended June 30, 2014, expenditures for governmental funds exceeded revenues by \$14,017,525.

The General Fund is the chief operating fund of Taos County. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$3,344,899 while total fund balance was \$5,916,176. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to the total fund expenditures. Unassigned fund balance represents 35 percent of total general fund expenditures of \$9,567,888, while total fund balance represents 62 percent of that same amount.

The fund balance of Taos County's general fund decreased by \$673,563 during the current fiscal year, this is due to operating transfer out of \$4,941,296. Overall, the general fund's performance resulted in revenues over expenditures in the fiscal year ended June 30, 2014 of \$3,596,549, a decrease of \$239,384 from the comparable figure from the prior year of \$3,835,933.

The Educational Fund has restricted fund balance of \$9,437,632, all of which is education purposes. The net increase in fund balance during the current year was \$6,468,032.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position for Proprietary Funds was \$1,482,147. The funds also had net position of net investment in capital assets in the amount of \$8,173,974. The total decrease in net position for the enterprise funds was \$1,315,924.

Fiduciary Funds. The County maintains fiduciary funds for the assets of various agency funds. The amount of fiduciary funds due to others was \$3,635,036 for the fiscal year ended June 30, 2014.

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

General Fund Budgetary Highlights

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

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

The total variation in revenues from the original and final budgets in the general fund was an increase of \$15,327. The significant variation was in licenses and fees, which was an increase of \$10,859. The total variation in expenditures from the original and final budgets in the general fund was an increase of \$49,298. The significant variation was in general government, which was an increase of \$49,298.

The County's final budget differs from the actual budget results due to variances between budgeted amounts and actual results during the fiscal year. The total variation in revenues from the final budget and actual results in the general fund was a favorable variance of \$554,657. The significant variations were in intergovernmental, licenses and fees, and charges for services. The favorable variance was due to an increase in property tax collections and more business in the area creating higher gross receipts tax revenue during the fiscal year. The total variation in expenditures from the final budget and actual results in the general fund was a favorable variance of \$1,049,261. The significant variation was in general government. The favorable variance was due to disciplined spending and careful monitoring of the budget in each of the County's departments.

Capital Asset and Debt Administration

Capital assets. Taos County's capital assets for its governmental and business-type activities as of June 30, 2014 amount to \$99,542,796 (net of accumulated depreciation). This investment in capital assets includes land improvements, right of way, construction in progress, buildings and improvements, infrastructure, vehicles and machinery and equipment. The total increase in the County's capital assets (excluding accumulated depreciation and disposals) for the current fiscal year was \$1,885,530 for governmental activities. The significant additions to governmental capital assets were infrastructure and vehicles to the County. The significant additions to business-type activities' capital assets were buildings and improvements.

**Capital Assets, Net of Depreciation
June 30, 2014**

	June 30, 2014		
	Governmental Activities	Business Type Activities	Total
Capital Assets			
Land	\$ 6,836,621	\$ 167,589	\$ 7,004,210
Right of way	18,750,380	-	18,750,380
Construction in progress	612,997	-	612,997
Buildings and improvements	55,707,035	21,222,323	76,929,358
Infrastructure	40,056,019	-	40,056,019
Vehicles	10,447,187	621,800	11,068,987
Machinery and equipment	5,253,303	711,446	5,964,749
	<u>137,663,542</u>	<u>22,723,158</u>	<u>160,386,700</u>
Total capital assets			
	<u>(46,294,720)</u>	<u>(14,549,184)</u>	<u>(60,843,904)</u>
Less: accumulated depreciation			
Total capital assets, net of accumulated depreciation	<u>\$ 91,368,822</u>	<u>\$ 8,173,974</u>	<u>\$ 99,542,796</u>

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

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 6 in the accompanying notes to the financial statements for further information regarding capital assets.

Debt Administration. At the end of the current fiscal year, Taos County had total long-term obligations outstanding of \$65,961,873 consisting of \$34,088,000 in bonds payable and \$31,133,122 in notes payable. The remaining liabilities totaling \$740,751 consist of capital leases of \$170,303 and compensated absences \$570,448.

Taos County's Outstanding Debt
As of June 30, 2014

	June 30, 2014		
	Governmental Activities	Business Type Activities	Total
Bonds payable	\$ 34,088,000	\$ -	\$ 34,088,000
Notes payable	31,133,122	-	31,133,122
Capital leases	170,303	-	170,303
Compensated absences	457,669	112,779	570,448
Total long-term debt	\$ 65,849,094	\$ 112,779	\$ 65,961,873

See Note 7 in the accompanying Notes to the Financial Statements for further information regarding Taos County's long-term debt.

KNOWN FACTS, DECISIONS, OR CONDITIONS THAT WILL IMPACT FINANCIAL POSITION

Please refer to the notes to financial statements for this information on pages 47-71.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Taos County's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, Taos County, 105 Albright Street, Suite A, Taos, New Mexico 87571. Please refer to Note 1 of the financial statements for information on obtaining financial statements for the Taos County Housing Authority.

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

Taos County

Statement of Net Position

June 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 14,750,196	\$ 774,273	\$ 15,524,469
Investments	3,650,760	-	3,650,760
Receivables:			
Property taxes, net	1,632,476	-	1,632,476
Customers, net of allowance	-	822,344	822,344
Other receivables	794,146	121,603	915,749
Inventory	236,434	-	236,434
Prepaid insurance	322,295	18,264	340,559
Total current assets	<u>21,386,307</u>	<u>1,736,484</u>	<u>23,122,791</u>
Noncurrent assets			
Restricted cash and cash equivalents	11,538,217	87,991	11,626,208
Bond insurance (net of accumulated amortization of \$17,683)	187,443	-	187,443
Original issue discounts (net of accumulated amortization of \$16,121)	170,879	-	170,879
Capital assets	137,663,542	22,723,158	160,386,700
Less: accumulated depreciation	<u>(46,294,720)</u>	<u>(14,549,184)</u>	<u>(60,843,904)</u>
Total noncurrent assets	<u>103,265,361</u>	<u>8,261,965</u>	<u>111,527,326</u>
Total assets	<u>\$ 124,651,668</u>	<u>\$ 9,998,449</u>	<u>\$ 134,650,117</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	\$ 244,328	\$ 83,645	\$ 327,973
Accrued payroll liabilities	204,307	51,944	256,251
Unearned revenue	-	5,969	5,969
Accrued interest payable	386,942	-	386,942
Security deposits	-	76,890	76,890
Current portion of accrued compensated absences	431,836	85,875	517,711
Current portion of long term obligations	3,437,044	-	3,437,044
Total current liabilities	<u>4,704,457</u>	<u>304,323</u>	<u>5,008,780</u>
Noncurrent liabilities			
Non current portion of accrued compensated absences	25,833	26,904	52,737
Original issue premiums (net of accumulated amortization of \$2,979)	31,583	-	31,583
Bonds payable	31,901,639	-	31,901,639
Notes and capital leases payable	30,052,742	-	30,052,742
Total noncurrent liabilities	<u>62,011,797</u>	<u>26,904</u>	<u>62,038,701</u>
Total liabilities	<u>66,716,254</u>	<u>331,227</u>	<u>67,047,481</u>
Net position			
Net investment in capital assets	47,977,397	8,173,974	56,151,371
Restricted for:			
Debt service	1,324,661	-	1,324,661
Capital projects	1,799,154	-	1,799,154
Other purposes- special revenue	2,402,325	-	2,402,325
Housing Choice Vouchers (Section 8)	-	11,101	11,101
Unrestricted	4,431,877	1,482,147	5,914,024
Total net position	<u>57,935,414</u>	<u>9,667,222</u>	<u>67,602,636</u>
Total liabilities and net position	<u>\$ 124,651,668</u>	<u>\$ 9,998,449</u>	<u>\$ 134,650,117</u>

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

Functions/Programs:	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 12,797,050	\$ 766,819	\$ 6,497,483	\$ -
Public safety	4,198,753	464,639	1,538,079	-
Culture and recreation	277,411	8,557	23,418	-
Health and welfare	1,203,787	-	437,864	-
Education	15,055,863	-	-	-
Public works	4,054,975	821,347	316,647	852,267
Interest on long-term debt	2,348,937	-	-	-
Total governmental activities	<u>39,936,776</u>	<u>2,061,362</u>	<u>8,813,491</u>	<u>852,267</u>
Business-type activities:				
Solid waste	1,178,377	884,893	-	-
Ambulance	2,759,372	1,324,376	-	-
Low rent public housing	1,044,337	274,835	539,596	25,650
Housing choice vouchers	2,179,931	-	1,932,290	-
Public housing capital fund	-	-	-	-
Total business-type activities	<u>7,162,017</u>	<u>2,484,104</u>	<u>2,471,886</u>	<u>25,650</u>
Total primary government	<u>\$ 47,098,793</u>	<u>\$ 4,545,466</u>	<u>\$ 11,285,377</u>	<u>\$ 877,917</u>

**General Revenues, Transfers and
Special Items:**

Taxes:

Property taxes

Gross receipts taxes

Other taxes

Investment income

Miscellaneous income

Transfers

Special item- donated assets

Total general revenues, transfers, and
Special Items

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
\$ (5,532,748)	\$ -	\$ (5,532,748)
(2,196,035)	-	(2,196,035)
(245,436)	-	(245,436)
(765,923)	-	(765,923)
(15,055,863)	-	(15,055,863)
(2,064,714)	-	(2,064,714)
(2,348,937)	-	(2,348,937)
<u>(28,209,656)</u>	<u>-</u>	<u>(28,209,656)</u>
-	(293,484)	(293,484)
-	(1,434,996)	(1,434,996)
-	(204,256)	(204,256)
-	(247,641)	(247,641)
<u>-</u>	<u>-</u>	<u>-</u>
-	(2,180,377)	(2,180,377)
<u>(28,209,656)</u>	<u>(2,180,377)</u>	<u>(30,390,033)</u>
10,321,484	-	10,321,484
6,164,629	260,850	6,425,479
448,499	-	448,499
20,772	274	21,046
612,356	1,006	613,362
(602,323)	602,323	-
177,787	-	177,787
<u>17,143,204</u>	<u>864,453</u>	<u>18,007,657</u>
<u>(11,066,452)</u>	<u>(1,315,924)</u>	<u>(12,382,376)</u>
69,001,866	9,928,773	78,930,639
-	1,054,373	1,054,373
<u>69,001,866</u>	<u>10,983,146</u>	<u>79,985,012</u>
<u>\$ 57,935,414</u>	<u>\$ 9,667,222</u>	<u>\$ 67,602,636</u>

STATE OF NEW MEXICO

Taos County
Balance Sheet
Governmental Funds
June 30, 2014

	<u>General Fund</u>	<u>Educational Bond Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 3,521,562	\$ 9,437,632	\$ 13,329,219	\$ 26,288,413
Investments	2,151,061	-	1,499,699	3,650,760
Accounts receivable				
Property taxes	1,632,476	-	-	1,632,476
Other receivables	64,475	-	729,671	794,146
Inventory	-	-	236,434	236,434
Prepaid expenses	179,305	-	142,990	322,295
<i>Total assets</i>	<u>\$ 7,548,879</u>	<u>\$ 9,437,632</u>	<u>\$ 15,938,013</u>	<u>\$ 32,924,524</u>
<i>Liabilities, deferred inflows of resources, and fund balances</i>				
<i>Liabilities</i>				
Accounts payable	\$ 124,503	\$ -	\$ 119,825	\$ 244,328
Accrued payroll liabilities	133,393	-	70,914	204,307
<i>Total liabilities</i>	<u>257,896</u>	<u>-</u>	<u>190,739</u>	<u>448,635</u>
<i>Deferred inflows of resources</i>				
Deferred inflows - property taxes	1,374,807	-	-	1,374,807
<i>Total deferred inflows of resources</i>	<u>1,374,807</u>	<u>-</u>	<u>-</u>	<u>1,374,807</u>
<i>Fund balances</i>				
Nonspendable	179,305	-	379,424	558,729
Spendable				
Restricted for:				
General county operations	-	-	3,401,075	3,401,075
Maintenance of roads	-	-	140,113	140,113
Fire departments	-	-	3,601,803	3,601,803
Forest health	-	-	129,534	129,534
Tourism	-	-	53,514	53,514
Public safety	-	-	235,467	235,467
Healthcare	-	-	1,972,420	1,972,420
Education	-	9,437,632	-	9,437,632
Capital projects expenditures	-	-	1,436,832	1,436,832
Debt service expenditures	-	-	3,738,118	3,738,118
Committed for:				
Corrections facility	-	-	514,987	514,987
Minimum fund balance	2,391,972	-	143,987	2,535,959
Unassigned	3,344,899	-	-	3,344,899
<i>Total fund balances</i>	<u>5,916,176</u>	<u>9,437,632</u>	<u>15,747,274</u>	<u>31,101,082</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 7,548,879</u>	<u>\$ 9,437,632</u>	<u>\$ 15,938,013</u>	<u>\$ 32,924,524</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit B-1

Taos County

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2014

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

Fund balances - total governmental funds	\$	31,101,082
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		91,368,822
--	--	------------

Revenues not collected within sixty days after year end are not considered "available" revenues and are considered to be "unavailable" revenues in the fund financial statements, but are considered revenue in the Statement of Activities

Delinquent property taxes		1,374,807
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Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Accrued interest		(386,942)
Current portion of accrued compensate absences not due and payable at year end		(431,836)
Accrued compensated absences		(25,833)
Bond insurance		187,443
Bond discount		170,879
Bond premium		(31,583)
Bonds payable		(34,088,000)
Notes and capital leases payable		(31,303,425)
		(31,303,425)

Net position - governmental activities	\$	57,935,414
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STATE OF NEW MEXICO
Taos County
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	General Fund	Educational Bond Fund	Nonmajor Governmental Funds	Total
<i>Revenues:</i>				
Taxes:				
Property taxes	\$ 10,130,698	\$ -	\$ -	\$ 10,130,698
Gross receipts taxes	296,991	-	5,867,638	6,164,629
Other taxes	4,470	-	444,029	448,499
Intergovernmental:				
State grants	182,954	-	7,453,969	7,636,923
Federal grants	1,673,839	-	354,996	2,028,835
Charges for services	515,340	-	1,546,022	2,061,362
Investment income	13,113	297	7,362	20,772
Miscellaneous	347,032	218	265,106	612,356
<i>Total revenues</i>	<u>13,164,437</u>	<u>515</u>	<u>15,939,122</u>	<u>29,104,074</u>
<i>Expenditures:</i>				
Current:				
General Government	9,567,888	-	658,674	10,226,562
Public safety	-	-	4,122,585	4,122,585
Culture and recreation	-	-	269,937	269,937
Health and welfare	-	-	1,203,109	1,203,109
Public works	-	-	3,799,226	3,799,226
Education	-	15,055,863	-	15,055,863
Capital Outlay	-	-	1,848,789	1,848,789
Debt Service:				
Principal	-	-	4,210,921	4,210,921
Interest	-	-	2,266,039	2,266,039
Bond issuance costs	-	118,568	-	118,568
<i>Total expenditures</i>	<u>9,567,888</u>	<u>15,174,431</u>	<u>18,379,280</u>	<u>43,121,599</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,596,549</u>	<u>(15,173,916)</u>	<u>(2,440,158)</u>	<u>(14,017,525)</u>
<i>Other financing sources (uses)</i>				
Proceeds from bonds	-	22,000,000	539,905	22,539,905
Bond premium	-	34,562	-	34,562
Bond discount	-	(187,000)	-	(187,000)
Bond insurance	-	(205,126)	-	(205,126)
Operating transfers in	671,184	31,431	10,900,610	11,603,225
Operating transfers (out)	(4,941,296)	(31,919)	(7,232,333)	(12,205,548)
<i>Total other financing sources (uses)</i>	<u>(4,270,112)</u>	<u>21,641,948</u>	<u>4,208,182</u>	<u>21,580,018</u>
<i>Net change in fund balances</i>	(673,563)	6,468,032	1,768,024	7,562,493
<i>Fund balances- beginning of year</i>	<u>6,589,739</u>	<u>2,969,600</u>	<u>13,979,250</u>	<u>23,538,589</u>
<i>Fund balances- end of year</i>	<u>\$ 5,916,176</u>	<u>\$ 9,437,632</u>	<u>\$ 15,747,274</u>	<u>\$ 31,101,082</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Exhibit B-2

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, 2014

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

Net change in fund balances - total governmental funds	\$ 7,562,493
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Governmental funds report capital outlays as expenditures. However in
the statement of activities, the cost of those assets is allocated over their
estimated useful lives and reported as depreciation expense:

Capital expenditures	1,848,789
Depreciation expense	(2,794,646)
Special Item- donated capital asset	177,787

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

Change in deferred inflows related to property taxes receivable	190,786
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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 underwriter premium on bonds	2,979
Current year bond underwriter premium on bonds	(34,562)
Retirement of original issue discount on bonds	(16,121)
Current year original issue discount on bonds	187,000
Retirement of bond insurance costs	(17,683)
Current year bond insurance	205,126
Decrease in the reserve for compensated absences	2,657
Increase in accrued interest payable	(52,073)
Proceeds of bonds issued	(22,539,905)
Principal payments on bonds	3,049,000
Principal payments on notes payable	1,021,427
Principal payments on capital leases	140,494

Change in net position of governmental activities	\$ (11,066,452)
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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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 10,271,957	\$ 10,271,957	\$ 10,429,016	\$ 157,059
Intergovernmental	1,647,771	1,647,771	1,853,214	205,443
Licenses and fees	355,050	365,909	-	(365,909)
Charges for services	28,200	28,200	516,729	488,529
Investment income	20,000	20,000	13,364	(6,636)
Miscellaneous	264,000	268,468	344,639	76,171
<i>Total revenues</i>	12,586,978	12,602,305	13,156,962	554,657
<i>Expenditures:</i>				
Current				
General government	10,655,592	10,704,890	9,655,629	1,049,261
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	10,655,592	10,704,890	9,655,629	1,049,261
<i>Excess (deficiency) of revenues over expenditures</i>	1,931,386	1,897,415	3,501,333	1,603,918
<i>Other financing sources (uses):</i>				
Operating transfers in	654,706	1,166,837	671,184	(495,653)
Operating transfers (out)	(4,808,697)	(5,365,094)	(4,941,296)	423,798
Designated cash (budgeted increase in cash)	2,222,605	2,300,842	-	(2,300,842)
<i>Total other financing sources (uses)</i>	(1,931,386)	(1,897,415)	(4,270,112)	(2,372,697)
<i>Net change in fund balances</i>	-	-	(768,779)	(768,779)
<i>Fund balances - beginning of year</i>	-	-	6,441,402	6,441,402
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 5,672,623	\$ 5,672,623
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (768,779)
Adjustments to revenues for taxes, intergovernmental, and charges for services				7,475
Adjustments to expenditures for general government and capital outlay				87,741
<i>Net change in fund balance (GAAP)</i>				\$ (673,563)

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, 2014

	Enterprise Funds		
	Solid Waste Enterprise Fund	Ambulance Enterprise Fund	Low Rent Public Housing
Assets			
Current assets:			
Cash and cash equivalents	\$ 130,338	\$ 175,817	\$ 410,826
Receivables:			
Customers, net of allowance	356,349	439,188	26,807
Other receivables	28,342	35,556	57,705
Prepaid insurance	-	-	16,828
Total current assets	515,029	650,561	512,166
Noncurrent assets:			
Restricted cash and cash equivalents	-	-	66,215
Capital assets	718,144	9,898,871	12,106,143
Less: accumulated depreciation	(504,551)	(6,895,518)	(7,149,115)
Total noncurrent assets	213,593	3,003,353	5,023,243
Total assets	\$ 728,622	\$ 3,653,914	\$ 5,535,409
Liabilities			
Current liabilities:			
Accounts payable	\$ 12,534	\$ 6,731	\$ 50,671
Accrued payroll liabilities	13,924	26,460	7,655
Unearned revenue	-	-	5,969
Current portion of accrued compensated absences	29,797	37,923	12,852
Total current liabilities	56,255	71,114	77,147
Current liabilities (payable from restricted assets):			
Tenant deposits	-	-	50,950
FSS deposits	-	-	15,265
Total current liabilities (payable from restricted assets)	-	-	66,215
Noncurrent liabilities:			
Noncurrent portion of accrued compensated absences	11,104	15,800	-
Total liabilities	67,359	86,914	143,362
Net position			
Net investment in capital assets	213,593	3,003,353	4,957,028
Restricted for:			
Section 8 housing	-	-	-
Unrestricted	447,670	563,647	435,019
Total net position	661,263	3,567,000	5,392,047
Total liabilities and net position	\$ 728,622	\$ 3,653,914	\$ 5,535,409

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>
\$ 57,292	\$ -	\$ 774,273
-	-	822,344
-	-	121,603
<u>1,436</u>	<u>-</u>	<u>18,264</u>
<u>58,728</u>	<u>-</u>	<u>1,736,484</u>
21,776	-	87,991
-	-	22,723,158
<u>-</u>	<u>-</u>	<u>(14,549,184)</u>
<u>21,776</u>	<u>-</u>	<u>8,261,965</u>
<u>\$ 80,504</u>	<u>\$ -</u>	<u>\$ 9,998,449</u>
\$ 13,709	\$ -	\$ 83,645
3,905	-	51,944
-	-	5,969
<u>5,303</u>	<u>-</u>	<u>85,875</u>
<u>22,917</u>	<u>-</u>	<u>227,433</u>
-	-	50,950
<u>10,675</u>	<u>-</u>	<u>25,940</u>
<u>10,675</u>	<u>-</u>	<u>76,890</u>
<u>-</u>	<u>-</u>	<u>26,904</u>
<u>33,592</u>	<u>-</u>	<u>331,227</u>
-	-	8,173,974
11,101	-	11,101
<u>35,811</u>	<u>-</u>	<u>1,482,147</u>
<u>46,912</u>	<u>-</u>	<u>9,667,222</u>
<u>\$ 80,504</u>	<u>\$ -</u>	<u>\$ 9,998,449</u>

STATE OF NEW MEXICO
Taos County
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	<u>Solid Waste Enterprise Fund</u>	<u>Ambulance Enterprise Fund</u>	<u>Low Rent Public Housing</u>
<i>Operating revenues:</i>			
Charges for services	\$ 884,893	\$ 1,324,331	\$ -
Rental revenue	-	-	271,684
Other tenant revenue	-	-	3,151
Subsidy grants	-	-	539,596
	<hr/>	<hr/>	<hr/>
Total operating revenues	884,893	1,324,331	814,431
<i>Operating expenses:</i>			
Personnel services	768,645	1,265,615	117,937
Contractual services	190,935	31,798	48,304
Supplies	-	-	24,766
Administration	134,049	94,570	-
Maintenance and materials	27,603	63,722	272,333
Utilities	-	-	182,283
Telephone	-	-	6,253
Insurance	-	-	36,940
Housing assistance payments	-	-	-
Miscellaneous	-	-	25,443
Bad debt expense	25,224	338,412	8,205
Depreciation	31,921	965,255	321,873
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,178,377	2,759,372	1,044,337
Operating income (loss)	<hr/> (293,484)	<hr/> (1,435,041)	<hr/> (229,906)
<i>Non-operating revenues (expenses):</i>			
Taxes	260,850	-	-
Interest	-	-	173
Miscellaneous	1,006	45	-
	<hr/>	<hr/>	<hr/>
Total non-operating revenues	261,856	45	173
Income (loss) before capital contributions and transfers	<hr/> (31,628)	<hr/> (1,434,996)	<hr/> (229,733)
Capital grants	-	-	25,650
Transfers in	-	602,323	-
Transfers (out)	-	-	-
	<hr/>	<hr/>	<hr/>
Total capital contributions and transfers	-	602,323	25,650
<i>Change in net position</i>	<hr/> (31,628)	<hr/> (832,673)	<hr/> (204,083)
<i>Total net position - beginning</i>	692,891	4,399,673	4,544,603
<i>Net position - restatement (Note 19)</i>	<hr/> -	<hr/> -	<hr/> 1,051,527
<i>Net position - as restated</i>	<hr/> 692,891	<hr/> 4,399,673	<hr/> 5,596,130
<i>Total net position - ending</i>	<hr/> <u>\$ 661,263</u>	<hr/> <u>\$ 3,567,000</u>	<hr/> <u>\$ 5,392,047</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>
\$ -	\$ -	\$ 2,209,224
-	-	271,684
-	-	3,151
<u>1,932,290</u>	<u>-</u>	<u>2,471,886</u>
<u>1,932,290</u>	<u>-</u>	<u>4,955,945</u>
159,037	-	2,311,234
71,154	-	342,191
13,114	-	37,880
-	-	228,619
-	-	363,658
-	-	182,283
2,654	-	8,907
9,056	-	45,996
1,914,738	-	1,914,738
10,178	-	35,621
-	-	371,841
<u>-</u>	<u>-</u>	<u>1,319,049</u>
<u>2,179,931</u>	<u>-</u>	<u>7,162,017</u>
<u>(247,641)</u>	<u>-</u>	<u>(2,206,072)</u>
-	-	260,850
101	-	274
<u>-</u>	<u>-</u>	<u>1,051</u>
<u>101</u>	<u>-</u>	<u>262,175</u>
<u>(247,540)</u>	<u>-</u>	<u>(1,943,897)</u>
-	-	25,650
-	-	602,323
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>627,973</u>
<u>(247,540)</u>	<u>-</u>	<u>(1,315,924)</u>
291,606	-	9,928,773
<u>2,846</u>	<u>-</u>	<u>1,054,373</u>
<u>294,452</u>	<u>-</u>	<u>10,983,146</u>
<u>\$ 46,912</u>	<u>\$ -</u>	<u>\$ 9,667,222</u>

STATE OF NEW MEXICO
Taos County
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2014

	Enterprise Funds		
	Solid Waste Enterprise Fund	Ambulance Enterprise Fund	Low Rent Public Housing
Cash Flows From Operating Activities			
Cash received from customers	\$ 895,409	\$ 1,242,607	\$ 274,142
Cash paid to suppliers and employees	(1,154,289)	(1,776,898)	(638,534)
Subsidy grants	-	-	539,596
Net Cash Provided (Used) by Operating Activities	<u>(258,880)</u>	<u>(534,291)</u>	<u>175,204</u>
Cash Flows From Non-Capital Financing Activities			
Operating transfers	-	602,323	-
Miscellaneous expense	1,006	45	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>1,006</u>	<u>602,368</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities			
Gross receipt taxes	260,850	-	-
Capital grants	-	-	25,650
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>260,850</u>	<u>-</u>	<u>25,650</u>
Cash Flows From Investing Activities			
Interest on investments	-	-	173
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>173</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,976	68,077	201,027
Cash and Cash Equivalents, Beginning of Year	127,362	107,740	276,014
Cash and Cash Equivalents, End of Year	<u>\$ 130,338</u>	<u>\$ 175,817</u>	<u>\$ 477,041</u>
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (293,484)	\$ (1,435,041)	\$ (229,906)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:			
Depreciation	31,921	965,255	321,873
Change in assets and liabilities:			
Accounts receivable	10,516	(81,724)	(9,137)
Prepaid insurance	4,327	9,480	5,668
Accounts payable	(19,666)	544	68,485
Accrued liabilities	3,800	6,987	1,649
Deferred revenue	-	-	1,462
Due to other governments	-	-	1,678
Tenant deposits	-	-	5,299
FSS deposits	-	-	3,145
Accrued compensated absences	3,706	208	4,988
Net Cash Provided (Used) by Operating Activities	<u>\$ (258,880)</u>	<u>\$ (534,291)</u>	<u>\$ 175,204</u>

Summary of Significant Noncash Activities

There was no significant noncash activity during the year ended June 30, 2014.

The accompanying notes are an integral part of these financial statements

Enterprise Funds		
Housing Choice Vouchers	Public Housing Capital Fund	Total
\$ -	\$ -	\$ 2,412,158
(2,164,401)	-	(5,734,122)
1,942,765	-	2,482,361
<u>(221,636)</u>	<u>-</u>	<u>(839,603)</u>
-	-	602,323
-	-	1,051
-	-	<u>603,374</u>
-	-	260,850
-	-	25,650
-	-	<u>286,500</u>
101	-	274
<u>101</u>	<u>-</u>	<u>274</u>
(221,535)	-	50,545
300,603	-	811,719
<u>\$ 79,068</u>	<u>\$ -</u>	<u>\$ 862,264</u>
\$ (247,641)	\$ -	\$ (2,206,072)
-	-	1,319,049
10,475	-	(69,870)
(213)	-	19,262
13,239	-	62,602
(108)	-	12,328
-	-	1,462
-	-	1,678
-	-	5,299
-	-	3,145
2,612	-	11,514
<u>\$ (221,636)</u>	<u>\$ -</u>	<u>\$ (839,603)</u>

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

Exhibit E-1

Assets

Cash and cash equivalents	\$ 673,690
Taxes receivable	3,635,036
Due from other governments	<u>134,365</u>

Total assets \$ 4,443,091

Liabilities

Due to other taxing entities	3,635,036
Deposits held in trust	<u>808,055</u>

Total liabilities \$ 4,443,091

The accompanying notes are an integral part of these financial statements

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

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, 2014, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB Statement No. 65 (“GASB 65”) established accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. The implementation of GASB 65 is expected to affect the County by reclassifying unearned revenues- property taxes as a deferred inflow of resources, and expensing current and future bond issuance costs related to debt transactions.

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, 2014

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, 2014

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.

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.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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 *Educational Bond Capital Projects Fund* is to account for the Bond/Capital outlay; bond proceeds which will be distributed to County school Districts..

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, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Position or Fund Equity

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

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, 2014 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.

Inventory: The County's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories actually are consumed. Inventory is valued at cost and consists of supplies and materials. The cost of purchased supplies and materials is recorded as an expenditure at the time individual inventory items are consumed.

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 debt service 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, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

<u>Assets</u>	<u>Years</u>
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, 2014, along with applicable PERA, FICA, and Medicare payable.

Deferred Inflows of Resources: Governmental funds report deferred inflows of resources for revenue due and receivable but not considered to be available to liquidate liabilities of the current period. At the end of the fiscal year, there were property taxes receivable in the amount \$ 1,374,807 that were not received with in the period of availability, and as required by GASB 65, are classified as deferred inflows.

Compensated Absences: Qualified employees are entitled to earn annual leave according to a graduated leave schedule 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, 2014

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

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, 2014, the County had nonspendable fund balance categorized in the governmental funds balance sheet as detailed on page 26 for prepaid expenses and inventory in the amounts of \$179,305 and \$379,424, respectively.

Restricted and Committed Fund Balance: At June 30, 2014, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$24,146,508 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 \$514,987 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 page 26.

Minimum Fund Balance Policy: The County's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 3/12th the General Fund expenditures and a cash reserve of 1/12th the Road Special Revenue Fund. At June 30, 2014, the County maintains \$2,535,959 as minimum fund balances.

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

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

- a. Net Investment in Capital Assets: This component consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Position: Net position is reported as restricted when constraints placed on net position use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “special revenue, debt service, and capital projects” are described on pages 43 and 63-64.
- 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, 2014 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, 2014

NOTE 2. Stewardship, Compliance and Accountability (continued)

Budgetary Information

	Excess (deficiency) of revenues over expenditures	
	Original	Final
	Budget	Budget
Budgeted Funds:		
General Fund	\$ 1,931,386	\$ 1,897,415
Educational Bond Capital Projects Fund	\$ -	\$ (24,955,386)
Solid Waste (proprietary)	\$ (126,957)	\$ (126,959)
Ambulance (proprietary)	\$ (831,405)	\$ (831,405)
Other Governmental Funds	\$ (11,743,782)	\$ (12,995,479)

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual and the Statements 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, 2014 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3. Deposits and Investments

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2014.

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

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

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

Beginning January 1, 2013, all of the County's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000 for all deposit accounts out of state and up to \$250,000 for all time and saving accounts plus up to \$250,000 for all demand deposit accounts held at a single institution in state.

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

NOTE 3. Deposits and Investments (continued)

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2014, \$18,307,873 of the County's bank balance of \$19,726,304 was exposed to custodial credit risk. Although the \$18,307,873 was uninsured, the entire amount was collateralized by collateral held by the pledging bank's trust department or a letter of credit, not in the County's name.

	US Bank	Centinel Bank	Peoples Bank	Bank of Albuquerque	Total
Total amount of deposits	\$ 18,799,064	\$ 273,681	\$ 508,809	\$ 144,750	\$ 19,726,304
FDIC coverage	500,000	273,681	500,000	144,750	1,418,431
Total uninsured public funds	18,299,064	-	8,809	-	18,307,873
Collateralized by securities held by the pledging institution or by its trust department or agent in other than the County's name	18,299,064	-	8,809	-	18,307,873
Uninsured and uncollateralized	\$ -	\$ -	\$ -	\$ -	\$ -
Collateral requirement (50% of uninsured)	\$ 9,149,532	\$ -	\$ 4,405	\$ -	\$ 9,153,937
Pledged securities	20,846,246	50,000	52,231	-	20,948,477
Over (under) collateralization	\$ 11,696,714	\$ 50,000	\$ 47,826	\$ -	\$ 11,794,540

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, 2014

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, 2014, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasury Money Market Mutual Funds	>365	\$ 12,579,649	Aaa*

*Rating based on Moody's rating

The investments are listed on Schedule II of this report. At June 30, 2014 there was \$2,151,090 of Certificate of Deposits classified as investments at Exhibit B-1. Also, at June 30, 2014 there was \$10,935,229 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, 2014, 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	\$ 15,524,469
Investments per Exhibit A-1	3,650,760
Restricted cash per Exhibit A-1	<u>11,626,208</u>
Total cash, cash equivalents, and investments	30,801,437
Add: outstanding checks and other reconciling items	688,454
Less: Petty cash	(2,378)
Less: Education Bonds Money Market	(10,935,229)
Less: Investments with NMFA	(1,499,670)
Add: Agency cash per Exhibit E-1	<u>673,690</u>
Bank balance of deposits	<u><u>\$ 19,726,304</u></u>

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

NOTE 4. Receivables

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

	<u>General</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Property taxes	\$ 1,632,476	\$ -	\$ 1,632,476
Other receivables:			
Intergovernmental - State	-	115,649	115,649
Intergovernmental - Federal	4,759		4,759
Gross receipts taxes	45,999	532,684	578,683
Gasoline and oil taxes	-	12,994	12,994
Lodger's taxes	3,415	30,736	34,151
Licenses and fees	7,566	36,103	43,669
Miscellaneous	2,736	1,505	4,241
Totals by category	<u>\$ 1,696,951</u>	<u>\$ 729,671</u>	<u>\$ 2,426,622</u>

In accordance with GASB Statement No. 33, property tax revenues in the amount of \$1,374,807 that were not collected within the period of availability have been reclassified as deferred inflows in the governmental fund financial statements. All of the above receivables are deemed to be fully collectible.

Business-type Activities:	<u>Solid Waste Enterprise Fund</u>	<u>Ambulance Enterprise Fund</u>	<u>Low Rent Public Housing</u>
Customer, Gross	\$ 1,029,799	\$ 4,199,896	\$ 49,459
Allowance for Doubtful Accounts	(673,450)	(3,760,708)	(22,652)
Other receivables:			
Intergovernmental - Federal	-	-	57,705
Intergovernmental - State	27,354	35,556	-
Miscellaneous	988	-	-
Totals by category	<u>\$ 384,691</u>	<u>\$ 474,744</u>	<u>\$ 84,512</u>
	<u>Housing Choice Vouchers</u>	<u>Total</u>	
Customer, Gross	\$ -	\$ 5,279,154	
Allowance for Doubtful Accounts	-	(4,456,810)	
Other receivables:			
Intergovernmental - Federal	-	57,705	
Intergovernmental - State	-	62,910	
Miscellaneous	-	988	
Totals by category	<u>\$ -</u>	<u>\$ 943,947</u>	

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

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	\$ 107,098
General Fund	Non major funds	400,000
General Fund	Non major funds	536,000
General Fund	Non major funds	218,000
General Fund	Non major funds	415,199
General Fund	Non major funds	25,000
General Fund	Non major funds	271,182
General Fund	Non major funds	2,415,000
Non major funds	Educational Bond	31,431
Educational Bond	Non major funds	31,919
General Fund	Ambulance	375,000
Non major funds	Ambulance	227,323
Non major funds	General Fund	671,184
Non major funds	Non major funds	6,302,395
General Fund	Non major funds	178,817
		<u>\$ 12,205,548</u>

At June 30, 2014, the County did not report any interfund receivables or payables.

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

NOTE 6. Capital Assets

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

Governmental Activities:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets not being depreciated:				
Land	\$ 6,825,397	\$ 11,224	\$ -	\$ 6,836,621
Right of Way	18,750,380	-	-	18,750,380
Construction in Progress	538,237	74,760	-	612,997
	<u>26,114,014</u>	<u>85,984</u>	<u>-</u>	<u>26,199,998</u>
Total capital assets not being depreciated				
	26,114,014	85,984	-	26,199,998
Capital assets being depreciated:				
Buildings and Improvements	55,595,671	111,364	-	55,707,035
Infrastructure	39,576,531	479,488	-	40,056,019
Vehicles	9,403,377	1,177,856	134,046	10,447,187
Machinery and Equipment	5,088,419	171,884	7,000	5,253,303
	<u>109,663,998</u>	<u>1,940,592</u>	<u>141,046</u>	<u>111,463,544</u>
Total capital assets being depreciated				
	109,663,998	1,940,592	141,046	111,463,544
Less accumulated depreciation:				
Buildings and Improvements	5,542,313	1,413,090	-	6,955,403
Infrastructure	26,290,903	956,810	-	27,247,713
Vehicles	7,869,628	616,773	134,046	8,352,355
Machinery and equipment	3,938,276	458,554	657,581	3,739,249
	<u>43,641,120</u>	<u>3,445,227</u>	<u>791,627</u>	<u>46,294,720</u>
Total accumulated depreciation				
	43,641,120	3,445,227	791,627	46,294,720
Total capital assets, net of depreciation				
	<u>\$ 92,136,892</u>	<u>\$ (1,418,651)</u>	<u>\$ (650,581)</u>	<u>\$ 91,368,822</u>

At June 30, 2014 the County adjusted accumulated depreciation by activity type in the amount of \$(650,581) in machinery and equipment, and \$20,254 in infrastructure for a total adjustment of \$(630,327) in the governmental activities. Correspondingly, the business-type activities accumulated depreciation was also adjusted by \$114,324 in vehicles, and \$516,003 in buildings and improvements for a total adjustment of \$630,327. The adjustment decreasing accumulated depreciation in machinery and equipment of the government activities is shown as part of the \$791,627 of deletions in current year. Also, the increase in accumulated depreciation in the government activities of infrastructure is also shown as part of the \$3,445,227 in additions for current year.

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

NOTE 6. Capital Assets (continued)

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

General Government	\$ 1,554,133
Public Safety	459,133
Public Works	1,364,997
Culture and Recreation	66,964
	<u>\$ 3,445,227</u>

Business-type Activities:

	Balance June 30, 2013	Adjustments to Net Position	Additions	Deletions	Balance June 30, 2014
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>-</u>	<u>167,589</u>
Capital assets being depreciated:					
Buildings and Improvements	21,128,451	70,627	23,245	-	21,222,323
Machinery and Equipment	1,291,457	(580,011)	-	-	711,446
Vehicles	707,868	-	-	86,068	621,800
Total capital assets being depreciated	<u>23,127,776</u>	<u>(509,384)</u>	<u>23,245</u>	<u>86,068</u>	<u>22,555,569</u>
Less accumulated depreciation:					
Buildings and Improvements	13,576,741	(1,564,066)	572,932	-	12,585,607
Vehicles	640,744	-	187,613	86,068	742,289
Machinery and equipment	662,784	-	558,504	-	1,221,288
Total accumulated depreciation	<u>14,880,269</u>	<u>(1,564,066)</u>	<u>1,319,049</u>	<u>86,068</u>	<u>14,549,184</u>
Total capital assets, net of depreciation	<u>\$ 8,415,096</u>	<u>\$ 1,054,682</u>	<u>\$ (1,295,804)</u>	<u>\$ -</u>	<u>\$ 8,173,974</u>

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

NOTE 7. Long-term Debt

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

Governmental Activities	Balance				Balance	Due Within
	June 30, 2013	Additions	Deletions	Adjustments		
Bonds payable	\$ 15,137,000	\$ 22,000,000	\$ 3,049,000	\$ -	\$ 34,088,000	\$ 2,186,361
Notes payable	30,664,818	539,905	1,021,427	949,826	31,133,122	1,109,223
Capital leases	1,260,623	-	140,494	(949,826)	170,303	141,460
Compensated absences	460,326	429,179	431,836	-	457,669	431,836
	<u>\$ 47,522,767</u>	<u>\$ 22,969,084</u>	<u>\$ 4,642,757</u>	<u>\$ -</u>	<u>\$ 65,849,094</u>	<u>\$ 3,868,880</u>

Gross Receipts Revenue Bonds

Bonds outstanding at June 30, 2014 consisted of the following bonds:

	Series 1997 Lodger's Tax Bonds	Series 2010 USDA Revenue Bonds	Series 2013 Education GRT Revenue Bonds
Original Issue:	\$ 777,000	\$ 15,000,000	\$ 22,000,000
Maturity Date	1/1/2037	5/4/2050	4/1/23
Principal	January 1	May 4	April 1
Interest Rate	5.00%	4.125%	2.00-4.00%
Interest	January 1	May 4	April 1 October 1

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

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 2,186,361	\$ 1,246,497	\$ 3,432,858
2016	2,243,172	1,196,698	3,439,870
2017	2,306,202	1,126,200	3,432,402
2018	2,374,458	1,053,602	3,428,060
2019	2,447,948	978,674	3,426,622
2020-2024	10,310,833	3,550,662	13,861,495
2025-2029	1,730,014	2,398,525	4,128,539
2030-2034	2,033,782	2,011,036	4,044,818
2035-2039	2,304,407	1,556,741	3,861,148
2040-2044	2,547,561	1,065,035	3,612,596
2045-2049	2,982,600	504,892	3,487,492
2050	620,662	25,602	646,264
	<u>\$ 34,088,000</u>	<u>\$ 16,714,164</u>	<u>\$ 50,802,164</u>

In prior years, the County issued bonds where the County pledges income from the receipt of lodger's and sales tax revenue. Lodger's and sales tax bonds have been issues for the construction of an agricultural building and the Taos judicial complex. Also, in current year, the County pledged income from the receipt of sales tax revenues. The current year bond is being used do be disbursed to the School District's around Taos County.

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

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, 2014, including interest payments, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 1,109,223	\$ 1,227,632	\$ 2,336,855
2016	1,132,101	1,205,355	2,337,456
2017	1,145,920	1,180,124	2,326,044
2018	1,159,527	1,151,442	2,310,969
2019	1,190,785	1,119,425	2,310,210
2020-2024	5,890,566	5,004,733	10,895,299
2025-2029	6,505,000	3,843,877	10,348,877
2030-2034	7,510,000	2,298,832	9,808,832
2035-2039	5,490,000	664,808	6,154,808
	<u>\$ 31,133,122</u>	<u>\$ 17,696,228</u>	<u>\$ 48,829,350</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, 2014, including interest payments, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2015	\$ 141,460	\$ 1,049	\$ 142,509
2016	28,843	-	28,843
	<u>\$ 170,303</u>	<u>\$ 1,049</u>	<u>\$ 171,352</u>

Taos County entered into a 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, 2014

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, 2014:

Business-type Activities	Balance			Balance	
	June 30, 2013	Additions	Deletions	June 30, 2014	Due Within One Year
Compensated absences	\$ 101,055	\$ 79,444	\$ 67,720	\$ 112,779	\$ 85,875
	<u>\$ 101,055</u>	<u>\$ 79,444</u>	<u>\$ 67,720</u>	<u>\$ 112,779</u>	<u>\$ 85,875</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 balances as of June 30, 2014.
- B. The following funds had excess expenditures over appropriations at June 30, 2014.

<u>Governmental Funds</u>	
USDA/Rus Complex	\$ 50,524
NMFA Debt Service	<u>181,361</u>
	<u>\$ 231,885</u>

- C. The following funds had designated cash appropriations in excess of available balances at June 30, 2014

<u>Governmental Funds</u>	
Intergovernmental	\$ 42,236
NMFA Debt Service Fund	322,682
Educational Bond	7,066
2004 Educational Bond Series	192
2007 Refunding Series	26,103
USDA Loan Proceeds	<u>36,352</u>
	<u>\$ 434,631</u>

STATE OF NEW MEXICO
Taos County
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June 30, 2014

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, 2014, 2013, and 2012 were \$1,003,871, \$1,003,871, and \$989,071, 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, 2014

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, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2014, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

Taos County's contributions to the RHCA for the years ended June 30, 2014, 2013, and 2012 were \$158,679, \$162,706, and \$143,819, 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, 2014. The funding to cover the various commitments was bond and/or note proceeds, including bonds, grants, and cash reserves.

NOTE 14. Restricted Components of Net Position

The government-wide statement of net position reports \$5,537,241 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 43, and 64-67.

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

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

NOTE 16. Subsequent Events

On July 1, 2014 Taos County began providing services for seniors based on a grant agreement with the Non-Metro Area Agency for Aging (NMAAA). Previously the services were provided by a non-profit organization that was contracted by the NMAAA. The services provided are congregate and home delivered meals, transportation, homemaker services, and in-home respite.

On August 1, 2014 the operations, assets, personnel, and funding agreements of the component unit Taos County Housing Authority were transferred to the Northern Regional Housing Authority (NRHA). Taos County continues to provide health and disability insurance to the employees of NRHA and invoices for the premium amounts due.

The date to which events occurring after June 30, 2014, the date of the most recent statement of net position, have been evaluated for possible adjustment to the financial statements or disclosures is November 10, 2014 which is the date on which the financial statements were issued.

NOTE 17. Subsequent Pronouncements

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, 2015 and will significantly impact the County.

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. The County is still evaluating how this standard will affect the County.

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

NOTE 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

NOTE 19. Housing Authority Restatement

The Taos County Housing Authority restated amounts in both the Low Rent Public Housing Program and Housing Choice Vouchers Program in the amounts of \$1,051,527 and \$2,846, respectively. These restatements were the result of the Housing Authority performing an asset inventory count at year end for an adjustment in the amount of \$1,054,682 and (\$309) related to adjustments to the Taos Housing Authority FSS accounts. These restatements are reported at Exhibit D-2.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

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

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 expended 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 Fund Descriptions
June 30, 2014

Special Revenue Funds

Ancianos – To account for revenues and expenditures that are related to the NMAAA grant to provide services for congregate and home delivered meals, transportation, homemaker services, and In-home respite. Authority for this fund is established by an Ordinance of the County Commission

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).

Jail/Detention – To account for funds transferred from general fund and charges for services to other governmental units for housing inmates (Section 7-20F-3 NMSA, 1978)..

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. Authority for this fund is established by an Ordinance of the County Commission.

Juvenile Adjudication GRT – To account for revenues and expenditures of the GRT for Juvenile Adjudication (Section 2.110.5 NMSA, 1978).

Forest Reserve Title III – To account for federal funds passed through the U.S. Forest Service for maintenance of forest roads in Taos County. Funding provided by United States Public Law 106-393

Fire Districts Discretionary – To account for non-restricted revenues and expenditures of the Fire Districts. Authority for this fund is established by an Ordinance of the County Commission

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

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

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.

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

Debt Service Funds

Bond Reserve – To account for monies designated for the retirement of debt associated with the Taos 40 construction project.

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.

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 Educational Bond – To account for collections of the Educational Bond.

2013 Educational Bond - To account for loan proceeds of the Taos County Educational Gross Receipts Tax Improvement Revenue Bond DFA Resolution 8 FY 14.

2013 Educational Bond Redemption - To account for the excess revenue from annual bond redemption of the Taos County Educational Gross Receipts Tax Improvement Revenue Bond.

Taos 46 Loan Proceeds - To account for loan proceeds for the purchase of Solid Waste vehicles DFA Resolution 38 FY14.

Taos 46 Loan Reserve - To account for loan reserve requirements for the purchase of Solid Waste vehicles DFA Resolution 38 FY14.

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

	Special Revenue			
	Health Care Fund	GRT Judicial Complex Fund	Corrections Fund	Property Valuation Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 914,049	\$ 1,762,287	\$ 116,766	\$ 549,842
Investments	-	-	-	-
Accounts receivable				
Other receivables	61,375	60,903	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total current assets</i>	<u>\$ 975,424</u>	<u>\$ 1,823,190</u>	<u>\$ 116,766</u>	<u>\$ 549,842</u>
 <i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 11,553
Accrued payroll liabilities	-	-	-	6,926
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,479</u>
 <i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	1,823,190	-	531,363
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	-	-
Healthcare	975,424	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	116,766	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>975,424</u>	<u>1,823,190</u>	<u>116,766</u>	<u>531,363</u>
<i>Total liabilities and fund balances</i>	<u>\$ 975,424</u>	<u>\$ 1,823,190</u>	<u>\$ 116,766</u>	<u>\$ 549,842</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
\$ 256,385	\$ 14,600	\$ 15,454	\$ 1,954,141	\$ 39,030	\$ 44,901
-	-	-	6	-	-
63,786	-	-	-	42,000	12,294
236,434	-	-	-	-	-
-	-	-	21,490	-	-
<u>\$ 556,605</u>	<u>\$ 14,600</u>	<u>\$ 15,454</u>	<u>\$ 1,975,637</u>	<u>\$ 81,030</u>	<u>\$ 57,195</u>
\$ 15,754	\$ 1,835	\$ -	\$ 11,843	\$ -	\$ 3,681
20,317	-	-	-	-	-
<u>36,071</u>	<u>1,835</u>	<u>-</u>	<u>11,843</u>	<u>-</u>	<u>3,681</u>
236,434	-	-	21,490	-	-
-	-	15,454	-	-	-
140,113	-	-	-	-	-
-	-	-	1,942,304	-	-
-	-	-	-	-	-
-	-	-	-	-	53,514
-	12,765	-	-	81,030	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
143,987	-	-	-	-	-
<u>520,534</u>	<u>12,765</u>	<u>15,454</u>	<u>1,963,794</u>	<u>81,030</u>	<u>53,514</u>
<u>\$ 556,605</u>	<u>\$ 14,600</u>	<u>\$ 15,454</u>	<u>\$ 1,975,637</u>	<u>\$ 81,030</u>	<u>\$ 57,195</u>

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

	Special Revenue			
	Lodger's Tax Non-Promotional Fund	Recreation Fund	Ancianos Fund	Indigent Health Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 35,242	\$ 9,767	\$ -	\$ 797,330
Investments	-	-	-	-
Accounts receivable				
Other receivables	18,442	-	18,943	184,083
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total current assets</i>	<u>\$ 53,684</u>	<u>\$ 9,767</u>	<u>\$ 18,943</u>	<u>\$ 981,413</u>
<i>Liabilities</i>				
Accounts payable	\$ 943	\$ 521	\$ 174	\$ -
Accrued payroll liabilities	846	735	1,968	1,218
<i>Total liabilities</i>	<u>1,789</u>	<u>1,256</u>	<u>2,142</u>	<u>1,218</u>
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted for:				
General county operations	51,895	8,511	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	16,801	980,195
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>51,895</u>	<u>8,511</u>	<u>16,801</u>	<u>980,195</u>
<i>Total liabilities and fund balances</i>	<u>\$ 53,684</u>	<u>\$ 9,767</u>	<u>\$ 18,943</u>	<u>\$ 981,413</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Fire Rescue Excise Tax Fund	Clerk's Recording Fees Fund	Jail/Detention Fund	Taos County Donations Fund	Taos County Grant Match Fund	DWI Program Fund
\$ 1,584,017	\$ 292,589	\$ 473,917	\$ 2,100	\$ 28,227	\$ 56,024
-	-	-	-	-	-
78,936	294	18,670	-	-	486
-	-	-	-	-	-
-	-	121,500	-	-	-
<u>\$ 1,662,953</u>	<u>\$ 292,883</u>	<u>\$ 614,087</u>	<u>\$ 2,100</u>	<u>\$ 28,227</u>	<u>\$ 56,510</u>
\$ 3,454	\$ 113	\$ 61,535	\$ -	\$ -	\$ -
-	-	32,831	-	-	4,338
<u>3,454</u>	<u>113</u>	<u>94,366</u>	<u>-</u>	<u>-</u>	<u>4,338</u>
-	-	121,500	-	-	-
-	292,770	-	2,100	28,227	-
-	-	-	-	-	-
1,659,499	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	52,172
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	398,221	-	-	-
-	-	-	-	-	-
<u>1,659,499</u>	<u>292,770</u>	<u>519,721</u>	<u>2,100</u>	<u>28,227</u>	<u>52,172</u>
<u>\$ 1,662,953</u>	<u>\$ 292,883</u>	<u>\$ 614,087</u>	<u>\$ 2,100</u>	<u>\$ 28,227</u>	<u>\$ 56,510</u>

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

	Special Revenue			
	DWI Grant Fund	DWI Intake Supervision Fund	DWI Domestic Violence Fund	Juvenile Adjudication GRT Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 21,380	\$ 12,250	\$ 9,575	\$ 3,529
Investments	-	-	-	-
Accounts receivable				
Other receivables	29,622	300	50	6,065
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total current assets</i>	<u>\$ 51,002</u>	<u>\$ 12,550</u>	<u>\$ 9,625</u>	<u>\$ 9,594</u>
<i>Liabilities</i>				
Accounts payable	\$ 461	\$ -	\$ -	\$ -
Accrued payroll liabilities	812	-	-	624
<i>Total liabilities</i>	<u>1,273</u>	<u>-</u>	<u>-</u>	<u>624</u>
<i>Fund balances</i>				
Nonspendable	-	-	-	-
Spendable				
Restricted for:				
General county operations	-	-	-	-
Maintenance of roads	-	-	-	-
Fire departments	-	-	-	-
Forest health	-	-	-	-
Tourism	-	-	-	-
Public safety	49,729	12,550	9,625	8,970
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed for:				
Corrections facility	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>49,729</u>	<u>12,550</u>	<u>9,625</u>	<u>8,970</u>
<i>Total liabilities and fund balances</i>	<u>\$ 51,002</u>	<u>\$ 12,550</u>	<u>\$ 9,625</u>	<u>\$ 9,594</u>

The accompanying notes are an integral part of these financial statements

Special Revenue			Capital Projects		
Forest Reserve Title III Fund	Fire Districts Discretionary Fund	Inter- Governmental Fund	Capital Enhancement Fund	Amalia Community Center Fund	Admin/Judicial/ Complex Fund
\$ 130,482	\$ 8,626	\$ 642,166	\$ 166,812	\$ 2,861	\$ 1,102
-	-	-	-	-	-
-	-	10,642	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 130,482</u>	<u>\$ 8,626</u>	<u>\$ 652,808</u>	<u>\$ 166,812</u>	<u>\$ 2,861</u>	<u>\$ 1,102</u>
\$ 948	\$ -	\$ 4,944	\$ 2,066	\$ -	\$ -
-	-	299	-	-	-
<u>948</u>	<u>-</u>	<u>5,243</u>	<u>2,066</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	647,565	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
129,534	-	-	-	-	-
-	-	-	-	-	-
-	8,626	-	-	-	-
-	-	-	-	-	-
-	-	-	164,746	2,861	1,102
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>129,534</u>	<u>8,626</u>	<u>647,565</u>	<u>164,746</u>	<u>2,861</u>	<u>1,102</u>
<u>\$ 130,482</u>	<u>\$ 8,626</u>	<u>\$ 652,808</u>	<u>\$ 166,812</u>	<u>\$ 2,861</u>	<u>\$ 1,102</u>

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

	Capital Projects		Debt Service	
	Taos County Complex Construction Fund	Bond Reserve Fund	NMFA Debt Service Fund	Admin/Judicial/ Correctional Complex Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 1,268,123	\$ 157,672	\$ 2,857	\$ 67
Investments	-	1,296,975	33,204	-
Accounts receivable				
Other receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
<i>Total current assets</i>	<u>\$ 1,268,123</u>	<u>\$ 1,454,647</u>	<u>\$ 36,061</u>	<u>\$ 67</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	1,268,123	-	-	-
Debt service expenditures	-	1,454,647	36,061	67
Committed for:				
Corrections facility	-	-	-	-
Minimum fund balance	-	-	-	-
<i>Total fund balances</i>	<u>1,268,123</u>	<u>1,454,647</u>	<u>36,061</u>	<u>67</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,268,123</u>	<u>\$ 1,454,647</u>	<u>\$ 36,061</u>	<u>\$ 67</u>

The accompanying notes are an integral part of these financial statements

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

	Debt Service			
	NMFA Taos Backhoe Fund	NMFA Latir Taos Fund	La Lama Loan Fund	USDA Loan Reserve Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 162	\$ -	\$ -	\$ 302,443
Investments	1,931	-	5	-
Accounts receivable				
Other receivables	-	-	-	-
Inventory	-	-	-	-
Prepaid expenses	-	-	-	-
	<u>\$ 2,093</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 302,443</u>
<i>Total current assets</i>				
	<u>\$ 2,093</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 302,443</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<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	2,093	-	5	302,443
Committed for:				
Corrections facility	-	-	-	-
Minimum fund balance	-	-	-	-
	<u>2,093</u>	<u>-</u>	<u>5</u>	<u>302,443</u>
<i>Total fund balances</i>	<u>2,093</u>	<u>-</u>	<u>5</u>	<u>302,443</u>
	<u>\$ 2,093</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 302,443</u>
<i>Total liabilities and fund balances</i>				

The accompanying notes are an integral part of these financial statements

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

	Debt Service		
	Taos 46 Loan Proceeds Fund	Taos 46 Loan Reserve Fund	Total
<i>Assets</i>			
Cash and cash equivalents	\$ 781	\$ 19,541	\$ 13,329,219
Investments	9,314	6,750	1,499,699
Accounts receivable			
Other receivables	-	-	729,671
Inventory	-	-	236,434
Prepaid expenses	-	-	142,990
	<u>\$ 10,095</u>	<u>\$ 26,291</u>	<u>\$ 15,938,013</u>
<i>Total current assets</i>			
	<u>\$ 10,095</u>	<u>\$ 26,291</u>	<u>\$ 15,938,013</u>
<i>Liabilities</i>			
Accounts payable	\$ -	\$ -	\$ 119,825
Accrued payroll liabilities	-	-	70,914
	<u>-</u>	<u>-</u>	<u>190,739</u>
<i>Total liabilities</i>			
	<u>-</u>	<u>-</u>	<u>190,739</u>
<i>Fund balances</i>			
Nonspendable	-	-	379,424
Spendable			
Restricted for:			
General county operations	-	-	3,401,075
Maintenance of roads	-	-	140,113
Fire departments	-	-	3,601,803
Forest health	-	-	129,534
Tourism	-	-	53,514
Public safety	-	-	235,467
Healthcare	-	-	1,972,420
Capital projects expenditures	-	-	1,436,832
Debt service expenditures	10,095	26,291	3,738,118
Committed for:			
Corrections facility	-	-	514,987
Minimum fund balance	-	-	143,987
	<u>10,095</u>	<u>26,291</u>	<u>15,747,274</u>
<i>Total fund balances</i>			
	<u>10,095</u>	<u>26,291</u>	<u>15,747,274</u>
<i>Total liabilities and fund balances</i>			
	<u>\$ 10,095</u>	<u>\$ 26,291</u>	<u>\$ 15,938,013</u>

The accompanying notes are an integral part of these financial statements

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, 2014

	Special Revenue			
	Health Care Fund	GRT Judicial Complex Fund	Corrections Fund	Property Valuation Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts taxes	\$ 402,231	\$ 625,510	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental:				
State grants	-	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	147,838	251,479
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>402,231</u>	<u>625,510</u>	<u>147,838</u>	<u>251,479</u>
<i>Expenditures:</i>				
Current				
General Government	-	5,233	-	238,002
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	87,747	-	-
Interest	-	41,766	-	-
<i>Total expenditures</i>	<u>-</u>	<u>134,746</u>	<u>-</u>	<u>238,002</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>402,231</u>	<u>490,764</u>	<u>147,838</u>	<u>13,477</u>
<i>Other financing sources (uses):</i>				
Proceeds from bonds	-	-	-	-
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	(150,000)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>-</u>
<i>Net change in fund balances</i>	402,231	490,764	(2,162)	13,477
<i>Fund balances - beginning of year</i>	<u>573,193</u>	<u>1,332,426</u>	<u>118,928</u>	<u>517,886</u>
<i>Fund balances - end of year</i>	<u>\$ 975,424</u>	<u>\$ 1,823,190</u>	<u>\$ 116,766</u>	<u>\$ 531,363</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
\$ 100,486	\$ -	\$ -	\$ -	\$ -	\$ -
143,497	-	-	-	-	120,165
-	36,677	-	776,078	84,000	-
271,869	-	1,194	-	-	-
412,747	-	-	-	-	-
-	-	-	4	-	-
92,656	-	-	-	-	-
<u>1,021,255</u>	<u>36,677</u>	<u>1,194</u>	<u>776,082</u>	<u>84,000</u>	<u>120,165</u>
-	-	399	-	-	-
-	40,249	-	332,222	24,493	-
-	-	-	-	-	142,987
-	-	-	-	-	-
1,405,527	-	-	-	-	-
179,763	-	-	128,863	-	-
140,494	-	-	24,890	-	-
2,058	-	-	504	-	-
<u>1,727,842</u>	<u>40,249</u>	<u>399</u>	<u>486,479</u>	<u>24,493</u>	<u>142,987</u>
<u>(706,587)</u>	<u>(3,572)</u>	<u>795</u>	<u>289,603</u>	<u>59,507</u>	<u>(22,822)</u>
-	-	-	181,361	-	-
925,000	-	-	-	-	-
-	-	-	(181,361)	-	-
<u>925,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
218,413	(3,572)	795	289,603	59,507	(22,822)
<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>\$ 520,534</u>	<u>\$ 12,765</u>	<u>\$ 15,454</u>	<u>\$ 1,963,794</u>	<u>\$ 81,030</u>	<u>\$ 53,514</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, 2014

	Special Revenue			
	Lodger's Tax Non-Promotional Fund	Recreation Fund	Ancianos Fund	Indigent Health Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts taxes	\$ -	\$ -	\$ -	\$ 1,206,410
Other taxes	180,367	-	-	-
Intergovernmental:				
State grants	-	-	23,418	437,864
Federal grants	-	-	-	-
Charges for services	8,007	550	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>188,374</u>	<u>550</u>	<u>23,418</u>	<u>1,644,274</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	70,943	56,007	-	-
Health and welfare	-	-	25,562	1,177,547
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>70,943</u>	<u>56,007</u>	<u>25,562</u>	<u>1,177,547</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>117,431</u>	<u>(55,457)</u>	<u>(2,144)</u>	<u>466,727</u>
<i>Other financing sources (uses):</i>				
Proceeds from bonds	-	-	-	-
Operating transfers in	-	60,000	18,945	-
Operating transfers (out)	(105,350)	-	-	-
<i>Total other financing sources (uses)</i>	<u>(105,350)</u>	<u>60,000</u>	<u>18,945</u>	<u>-</u>
<i>Net change in fund balances</i>	12,081	4,543	16,801	466,727
<i>Fund balances - beginning of year</i>	<u>39,814</u>	<u>3,968</u>	<u>-</u>	<u>513,468</u>
<i>Fund balances - end of year</i>	<u>\$ 51,895</u>	<u>\$ 8,511</u>	<u>\$ 16,801</u>	<u>\$ 980,195</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Fire Rescue Excise Tax Fund	Clerk's Recording Fees Fund	Jail/Detention Fund	Taos County Donations Fund	Taos County Grant Match Fund	DWI Program Fund
\$ 517,352	\$ -	\$ 132,645	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	51,350	-	-	-	239,069
-	-	16,375	-	-	-
-	-	289,417	-	-	-
229	-	-	-	-	-
30	-	398	-	-	-
<u>517,611</u>	<u>51,350</u>	<u>438,835</u>	<u>-</u>	<u>-</u>	<u>239,069</u>
-	26,208	-	-	-	-
105,207	-	3,063,555	-	-	247,966
-	-	-	-	-	-
-	-	-	-	-	-
280,778	24,161	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>385,985</u>	<u>50,369</u>	<u>3,063,555</u>	<u>-</u>	<u>-</u>	<u>247,966</u>
<u>131,626</u>	<u>981</u>	<u>(2,624,720)</u>	<u>-</u>	<u>-</u>	<u>(8,897)</u>
-	-	-	-	-	-
-	-	2,565,000	-	75,000	44,397
<u>(227,323)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>(42,247)</u>
<u>(227,323)</u>	<u>-</u>	<u>2,565,000</u>	<u>-</u>	<u>-</u>	<u>2,150</u>
(95,697)	981	(59,720)	-	-	(6,747)
<u>1,755,196</u>	<u>291,789</u>	<u>579,441</u>	<u>2,100</u>	<u>28,227</u>	<u>58,919</u>
<u>\$ 1,659,499</u>	<u>\$ 292,770</u>	<u>\$ 519,721</u>	<u>\$ 2,100</u>	<u>\$ 28,227</u>	<u>\$ 52,172</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, 2014

	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	63,068	-	-	13,320
Federal grants	-	-	-	-
Charges for services	-	22,577	4,807	-
Investment income	-	-	-	-
Miscellaneous	-	1,475	-	-
<i>Total revenues</i>	<u>63,068</u>	<u>24,052</u>	<u>4,807</u>	<u>13,320</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	63,724	63,035	7,609	13,410
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>63,724</u>	<u>63,035</u>	<u>7,609</u>	<u>13,410</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(656)</u>	<u>(38,983)</u>	<u>(2,802)</u>	<u>(90)</u>
<i>Other financing sources (uses):</i>				
Proceeds from bonds	-	-	-	-
Operating transfers in	29,755	-	-	14,000
Operating transfers (out)	-	-	-	(5,000)
<i>Total other financing sources (uses)</i>	<u>29,755</u>	<u>-</u>	<u>-</u>	<u>9,000</u>
<i>Net change in fund balances</i>	29,099	(38,983)	(2,802)	8,910
<i>Fund balances - beginning of year</i>	<u>20,630</u>	<u>51,533</u>	<u>12,427</u>	<u>60</u>
<i>Fund balances - end of year</i>	<u>\$ 49,729</u>	<u>\$ 12,550</u>	<u>\$ 9,625</u>	<u>\$ 8,970</u>

The accompanying notes are an integral part of these financial statements

Special Revenue			Capital Projects		
Forest Reserve Title III Fund	Fire Districts Discretionary Fund	Inter- Governmental Fund	Capital Enhancement Fund	Amalia Community Center Fund	Admin/Judicial/ Complex Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	440,794	-	-	-
44,778	-	20,780	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,273	-	-	-
<u>44,778</u>	<u>-</u>	<u>463,847</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	9,414	-	-	-
-	-	161,115	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
27,698	-	20,409	20,141	-	-
49,969	-	404,646	317,755	5,564	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>77,667</u>	<u>-</u>	<u>595,584</u>	<u>337,896</u>	<u>5,564</u>	<u>-</u>
<u>(32,889)</u>	<u>-</u>	<u>(131,737)</u>	<u>(337,896)</u>	<u>(5,564)</u>	<u>-</u>
-	-	-	-	-	-
-	-	658,199	461,000	-	-
-	-	(223,449)	-	-	-
-	-	434,750	461,000	-	-
(32,889)	-	303,013	123,104	(5,564)	-
<u>162,423</u>	<u>8,626</u>	<u>344,552</u>	<u>41,642</u>	<u>8,425</u>	<u>1,102</u>
<u>\$ 129,534</u>	<u>\$ 8,626</u>	<u>\$ 647,565</u>	<u>\$ 164,746</u>	<u>\$ 2,861</u>	<u>\$ 1,102</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, 2014

	Capital Projects Taos County Complex Construction Fund	Debt Service Bond Reserve Fund	NMFA Debt Service Fund	Admin/Judicial/ Correctional Complex Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental:				
State grants	-	-	-	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	554	6,048	199	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>554</u>	<u>6,048</u>	<u>199</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	2,770	184,050	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	3,661	-	-	-
Capital outlay	163,475	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>167,136</u>	<u>2,770</u>	<u>184,050</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(166,582)</u>	<u>3,278</u>	<u>(183,851)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Proceeds from bonds	-	-	358,544	-
Operating transfers in	-	-	181,361	-
Operating transfers (out)	-	(4,071)	(320,001)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(4,071)</u>	<u>219,904</u>	<u>-</u>
<i>Net change in fund balances</i>	(166,582)	(793)	36,053	-
<i>Fund balances - beginning of year</i>	<u>1,434,705</u>	<u>1,455,440</u>	<u>8</u>	<u>67</u>
<i>Fund balances - end of year</i>	<u>\$ 1,268,123</u>	<u>\$ 1,454,647</u>	<u>\$ 36,061</u>	<u>\$ 67</u>

The accompanying notes are an integral part of these financial statements

Debt Service					
2003 Bond Debt Service Fund	Educational Bond Fund	2004 Educational Bond Series Fund	2007 Refunding Series Fund	Land Purchase Judicial Complex Fund	USDA/RUS Complex Fund
\$ 583	\$ -	\$ -	\$ -	\$ -	\$ 889,504
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	408,600
62	-	-	-	-	-
-	7,058	189	26,101	-	-
<u>645</u>	<u>7,058</u>	<u>189</u>	<u>26,101</u>	<u>-</u>	<u>1,298,104</u>
-	30,294	411	76,568	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	829,474
-	-	-	-	-	-
14,000	-	-	-	-	-
31,350	-	-	-	-	-
<u>45,350</u>	<u>30,294</u>	<u>411</u>	<u>76,568</u>	<u>-</u>	<u>829,474</u>
<u>(44,705)</u>	<u>(23,236)</u>	<u>(222)</u>	<u>(50,467)</u>	<u>-</u>	<u>468,630</u>
-	-	-	-	-	-
45,350	-	-	-	-	-
-	-	-	-	-	(400,000)
<u>45,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(400,000)</u>
645	(23,236)	(222)	(50,467)	-	68,630
40,304	23,236	222	50,467	3	422,405
<u>\$ 40,949</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 491,035</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, 2014

	Debt Service			
	NMFA Taos Backhoe Fund	NMFA Latir Taos Fund	La Lama Loan Fund	USDA Loan Reserve Fund
<i>Revenues:</i>				
Taxes:				
Gross receipts taxes	\$ 12,422	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental:				
State grants	-	4,671	18,123	-
Federal grants	-	-	-	-
Charges for services	-	-	-	-
Investment income	1	-	2	5
Miscellaneous	-	-	-	-
<i>Total revenues</i>	12,423	4,671	18,125	5
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	11,552	4,671	17,567	-
Interest	870	-	556	-
<i>Total expenditures</i>	12,422	4,671	18,123	-
<i>Excess (deficiency) of revenues over expenditures</i>	1	-	2	5
<i>Other financing sources (uses):</i>				
Proceeds from bonds	-	-	-	-
Operating transfers in	-	-	-	77,212
Operating transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	77,212
<i>Net change in fund balances</i>	1	-	2	77,217
<i>Fund balances - beginning of year</i>	2,092	-	3	225,226
<i>Fund balances - end of year</i>	\$ 2,093	\$ -	\$ 5	\$ 302,443

The accompanying notes are an integral part of these financial statements

Debt Service					
USDA Loan Proceeds Fund	USDA BoA Fund	Taos County Complex Restructuring Fund	County Educational Bond Fund	2013 Educational Bond Fund	2013 Educational Bond Redemption Fund
\$ -	\$ -	\$ 1,970,400	\$ -	\$ -	\$ -
-	-	-	-	-	-
829,473	-	101,870	4,334,194	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1	7	110	23	11	-
-	129,693	5,233	-	-	-
<u>829,474</u>	<u>129,700</u>	<u>2,077,613</u>	<u>4,334,217</u>	<u>11</u>	<u>-</u>
85,325	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,492,316	-	-
-	-	-	-	-	-
-	170,000	875,000	-	2,865,000	-
-	598,538	1,195,553	-	394,844	-
<u>85,325</u>	<u>768,538</u>	<u>2,070,553</u>	<u>1,492,316</u>	<u>3,259,844</u>	<u>-</u>
<u>744,149</u>	<u>(638,838)</u>	<u>7,060</u>	<u>2,841,901</u>	<u>(3,259,833)</u>	<u>-</u>
-	-	-	-	-	-
-	639,543	4,071	-	4,116,309	665,468
<u>(716,755)</u>	<u>-</u>	<u>-</u>	<u>(4,116,776)</u>	<u>-</u>	<u>(665,000)</u>
<u>(716,755)</u>	<u>639,543</u>	<u>4,071</u>	<u>(4,116,776)</u>	<u>4,116,309</u>	<u>468</u>
27,394	705	11,131	(1,274,875)	856,476	468
2,855	104,879	153,080	1,492,316	-	-
<u>\$ 30,249</u>	<u>\$ 105,584</u>	<u>\$ 164,211</u>	<u>\$ 217,441</u>	<u>\$ 856,476</u>	<u>\$ 468</u>

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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, 2014

	Debt Service		
	Taos 46 Loan Proceeds Fund	Taos 46 Loan Reserve Fund	Total
<i>Revenues:</i>			
Taxes:			
Gross receipts taxes	\$ 10,095	\$ -	\$ 5,867,638
Other taxes	-	-	444,029
Intergovernmental:			
State grants	-	-	7,453,969
Federal grants	-	-	354,996
Charges for services	-	-	1,546,022
Investment income	-	106	7,362
Miscellaneous	-	-	265,106
<i>Total revenues</i>	10,095	106	15,939,122
<i>Expenditures:</i>			
Current			
General Government	-	-	658,674
Public safety	-	-	4,122,585
Culture and recreation	-	-	269,937
Health and welfare	-	-	1,203,109
Public works	-	-	3,799,226
Capital outlay	-	293,815	1,848,789
Debt service			
Principal	-	-	4,210,921
Interest	-	-	2,266,039
<i>Total expenditures</i>	-	293,815	18,379,280
<i>Excess (deficiency) of revenues over expenditures</i>	10,095	(293,709)	(2,440,158)
<i>Other financing sources (uses):</i>			
Proceeds from bonds	-	-	539,905
Operating transfers in	-	320,000	10,900,610
Operating transfers (out)	-	-	(7,232,333)
<i>Total other financing sources (uses)</i>	-	320,000	4,208,182
<i>Net change in fund balances</i>	10,095	26,291	1,768,024
<i>Fund balances - beginning of year</i>	-	-	13,979,250
<i>Fund balances - end of year</i>	\$ 10,095	\$ 26,291	\$ 15,747,274

The accompanying notes are an integral part of these financial statements

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 359,500	\$ 359,500	\$ 406,620	\$ 47,120
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>359,500</u>	<u>359,500</u>	<u>406,620</u>	<u>47,120</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>406,620</u>	<u>47,120</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(550,000)	(550,000)	-	550,000
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	190,500	190,500	-	(190,500)
<i>Total other financing sources (uses)</i>	<u>(359,500)</u>	<u>(359,500)</u>	<u>-</u>	<u>359,500</u>
<i>Net change in fund balances</i>	-	-	406,620	406,620
<i>Fund balances - beginning of year</i>	-	-	507,429	507,429
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 914,049</u>	<u>\$ 914,049</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 406,620
Adjustments to revenues for gross receipts				(4,389)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 402,231</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 533,000	\$ 436,524	\$ 607,390	\$ 170,866
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>533,000</u>	<u>436,524</u>	<u>607,390</u>	<u>170,866</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	5,233	(5,233)
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	400,000	-	400,000
Debt service				
Principal	83,928	83,928	87,747	(3,819)
Interest	45,585	45,585	41,766	3,819
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>129,513</u>	<u>529,513</u>	<u>134,746</u>	<u>394,767</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>403,487</u>	<u>(92,989)</u>	<u>472,644</u>	<u>565,633</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(110,000)	-	110,000
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(403,487)	202,989	-	(202,989)
<i>Total other financing sources (uses)</i>	<u>(403,487)</u>	<u>92,989</u>	<u>-</u>	<u>(92,989)</u>
<i>Net change in fund balances</i>	-	-	472,644	472,644
<i>Fund balances - beginning of year</i>	-	-	1,289,643	1,289,643
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,762,287</u>	<u>\$ 1,762,287</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 472,644
Adjustments to revenues for gross receipts taxes				18,120
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 490,764</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	70,000	70,000	147,838	77,838
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>70,000</u>	<u>70,000</u>	<u>147,838</u>	<u>77,838</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>70,000</u>	<u>70,000</u>	<u>147,838</u>	<u>77,838</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(150,000)	(150,000)	(150,000)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	80,000	80,000	-	(80,000)
<i>Total other financing sources (uses)</i>	<u>(70,000)</u>	<u>(70,000)</u>	<u>(150,000)</u>	<u>(80,000)</u>
<i>Net change in fund balances</i>	-	-	(2,162)	(2,162)
<i>Fund balances - beginning of year</i>	-	-	118,928	118,928
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116,766</u>	<u>\$ 116,766</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (2,162)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (2,162)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	203,500	203,500	251,479	47,979
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>203,500</u>	<u>203,500</u>	<u>251,479</u>	<u>47,979</u>
<i>Expenditures:</i>				
Current				
General Government	667,292	667,292	222,530	444,762
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	57,101	57,101	-	57,101
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>724,393</u>	<u>724,393</u>	<u>222,530</u>	<u>501,863</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(520,893)</u>	<u>(520,893)</u>	<u>28,949</u>	<u>549,842</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	520,893	520,893	-	(520,893)
<i>Total other financing sources (uses)</i>	<u>520,893</u>	<u>520,893</u>	<u>-</u>	<u>(520,893)</u>
<i>Net change in fund balances</i>	-	-	28,949	28,949
<i>Fund balances - beginning of year</i>	-	-	520,893	520,893
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549,842</u>	<u>\$ 549,842</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 28,949
No adjustments to revenues				-
Adjustments to expenditures for general government				<u>(15,472)</u>
<i>Net change in fund balance (GAAP)</i>				<u>\$ 13,477</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 256,500	\$ 256,500	\$ 257,638	\$ 1,138
Intergovernmental	248,924	248,924	271,869	22,945
Licenses and fees	369,000	369,000	411,384	42,384
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	3,150	94,282	100,784	6,502
<i>Total revenues</i>	<u>877,574</u>	<u>968,706</u>	<u>1,041,675</u>	<u>72,969</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	1,779,425	1,789,849	1,699,666	90,183
Education	-	-	-	-
Capital outlay	74,000	154,708	119,622	35,086
Debt service				
Principal	202,170	202,170	140,494	61,676
Interest	2,060	2,060	2,058	2
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,057,655</u>	<u>2,148,787</u>	<u>1,961,840</u>	<u>186,947</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,180,081)</u>	<u>(1,180,081)</u>	<u>(920,165)</u>	<u>259,916</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	1,100,000	1,100,000	925,000	(175,000)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	80,081	80,081	-	(80,081)
<i>Total other financing sources (uses)</i>	<u>1,180,081</u>	<u>1,180,081</u>	<u>925,000</u>	<u>(255,081)</u>
<i>Net change in fund balances</i>	-	-	4,835	4,835
<i>Fund balances - beginning of year</i>	-	-	251,550	251,550
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 256,385</u>	<u>\$ 256,385</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 4,835
Adjustments to revenues for taxes				(20,420)
Adjustments to expenditures for public works				233,998
<i>Net change in fund balance (GAAP)</i>				<u>\$ 218,413</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	41,226	41,226	36,677	(4,549)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>41,226</u>	<u>41,226</u>	<u>36,677</u>	<u>(4,549)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	59,532	57,124	40,381	16,743
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>59,532</u>	<u>57,124</u>	<u>40,381</u>	<u>16,743</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(18,306)</u>	<u>(15,898)</u>	<u>(3,704)</u>	<u>12,194</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	18,306	15,898	-	(15,898)
<i>Total other financing sources (uses)</i>	<u>18,306</u>	<u>15,898</u>	<u>-</u>	<u>(15,898)</u>
<i>Net change in fund balances</i>	-	-	(3,704)	(3,704)
<i>Fund balances - beginning of year</i>	-	-	18,304	18,304
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,600</u>	<u>\$ 14,600</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (3,704)
No adjustments to revenues				-
Adjustments to expenditures for public safety				132
<i>Net change in fund balance (GAAP)</i>				<u>\$ (3,572)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,200	1,200	1,194	(6)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,200</u>	<u>1,200</u>	<u>1,194</u>	<u>(6)</u>
<i>Expenditures:</i>				
Current				
General Government	16,838	16,838	1,378	15,460
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>16,838</u>	<u>16,838</u>	<u>1,378</u>	<u>15,460</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(15,638)</u>	<u>(15,638)</u>	<u>(184)</u>	<u>15,454</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	15,638	15,638	-	(15,638)
<i>Total other financing sources (uses)</i>	<u>15,638</u>	<u>15,638</u>	<u>-</u>	<u>(15,638)</u>
<i>Net change in fund balances</i>	-	-	(184)	(184)
<i>Fund balances - beginning of year</i>	-	-	15,638	15,638
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,454</u>	<u>\$ 15,454</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (184)
No adjustments to revenues				-
Adjustments to expenditures for general government				979
<i>Net change in fund balance (GAAP)</i>				<u>\$ 795</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	772,980	772,980	777,261	4,281
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	13	13	4	(9)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>772,993</u>	<u>772,993</u>	<u>777,265</u>	<u>4,272</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	969,641	973,818	336,123	637,695
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	1,453,194	1,448,194	134,831	1,313,363
Debt service				
Principal	24,890	24,890	24,890	-
Interest	504	504	504	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,448,229</u>	<u>2,447,406</u>	<u>496,348</u>	<u>1,951,058</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,675,236)</u>	<u>(1,674,413)</u>	<u>280,917</u>	<u>1,955,330</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	(181,361)	(181,361)
Bond proceeds	-	-	181,361	181,361
Designated cash (budgeted increase in cash)	1,675,236	1,674,413	-	(1,674,413)
<i>Total other financing sources (uses)</i>	<u>1,675,236</u>	<u>1,674,413</u>	<u>-</u>	<u>(1,674,413)</u>
<i>Net change in fund balances</i>	-	-	280,917	280,917
<i>Fund balances - beginning of year</i>	-	-	1,673,230	1,673,230
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,954,147</u>	<u>\$ 1,954,147</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 280,917
Adjustments to revenues for intergovernmental activity				(1,183)
Adjustments to expenditures for public safety and capital outlay				<u>9,869</u>
<i>Net change in fund balance (GAAP)</i>				<u>\$ 289,603</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	42,000	42,000	42,000	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>42,000</u>	<u>42,000</u>	<u>42,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	5,000	63,523	24,493	39,030
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	58,523	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>63,523</u>	<u>63,523</u>	<u>24,493</u>	<u>39,030</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(21,523)</u>	<u>(21,523)</u>	<u>17,507</u>	<u>39,030</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	21,523	21,523	-	(21,523)
<i>Total other financing sources (uses)</i>	<u>21,523</u>	<u>21,523</u>	<u>-</u>	<u>(21,523)</u>
<i>Net change in fund balances</i>	-	-	17,507	17,507
<i>Fund balances - beginning of year</i>	-	-	21,523	21,523
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,030</u>	<u>\$ 39,030</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 17,507
Adjustments to revenues for intergovernmental activity				42,000
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 59,507</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 85,000	\$ 85,000	\$ 118,558	\$ 33,558
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	25	25	-	(25)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>85,025</u>	<u>85,025</u>	<u>118,558</u>	<u>33,533</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	150,674	150,674	139,306	11,368
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>150,674</u>	<u>150,674</u>	<u>139,306</u>	<u>11,368</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(65,649)</u>	<u>(65,649)</u>	<u>(20,748)</u>	<u>44,901</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	65,649	65,649	-	(65,649)
<i>Total other financing sources (uses)</i>	<u>65,649</u>	<u>65,649</u>	<u>-</u>	<u>(65,649)</u>
<i>Net change in fund balances</i>	-	-	(20,748)	(20,748)
<i>Fund balances - beginning of year</i>	-	-	65,649	65,649
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,901</u>	<u>\$ 44,901</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (20,748)
Adjustments to revenues for taxes				1,607
Adjustments to expenditures for culture and recreation				(3,681)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (22,822)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 150,000	\$ 150,350	\$ 177,951	\$ 27,601
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	5,000	5,000	8,007	3,007
Investment income	25	25	-	(25)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>155,025</u>	<u>155,375</u>	<u>185,958</u>	<u>30,583</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	85,015	85,015	80,356	4,659
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>85,015</u>	<u>85,015</u>	<u>80,356</u>	<u>4,659</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>70,010</u>	<u>70,360</u>	<u>105,602</u>	<u>35,242</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(105,000)	(105,350)	(105,350)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	34,990	34,990	-	(34,990)
<i>Total other financing sources (uses)</i>	<u>(70,010)</u>	<u>(70,360)</u>	<u>(105,350)</u>	<u>(34,990)</u>
<i>Net change in fund balances</i>	-	-	252	252
<i>Fund balances - beginning of year</i>	-	-	34,990	34,990
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,242</u>	<u>\$ 35,242</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 252
Adjustments to revenues for taxes				2,416
Adjustments to expenditures for culture and recreation				<u>9,413</u>
Net change in fund balance (GAAP)				<u>\$ 12,081</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	2,000	2,000	550	(1,450)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,000</u>	<u>2,000</u>	<u>550</u>	<u>(1,450)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	67,103	67,103	55,886	11,217
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>67,103</u>	<u>67,103</u>	<u>55,886</u>	<u>11,217</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(65,103)</u>	<u>(65,103)</u>	<u>(55,336)</u>	<u>9,767</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	60,000	60,000	60,000	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	5,103	5,103	-	(5,103)
<i>Total other financing sources (uses)</i>	<u>65,103</u>	<u>65,103</u>	<u>60,000</u>	<u>(5,103)</u>
<i>Net change in fund balances</i>	-	-	4,664	4,664
<i>Fund balances - beginning of year</i>	-	-	5,103	5,103
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,767</u>	<u>\$ 9,767</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 4,664
No adjustments to revenues				-
Adjustments to expenditures for capital outlay				(121)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 4,543</u>

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

STATE OF NEW MEXICO

Statement B-13

Taos County

Ancianos 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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	35,000	4,475	(30,525)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>35,000</u>	<u>4,475</u>	<u>(30,525)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	35,000	23,420	11,580
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>35,000</u>	<u>23,420</u>	<u>11,580</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(18,945)</u>	<u>(18,945)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	35,000	18,945	(16,055)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(35,000)	-	35,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>18,945</u>	<u>18,945</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>				\$ -
Adjustments to revenues for intergovernmental revenues				18,943
Adjustments to expenditures for health and welfare				(2,142)
Net change in fund balance (GAAP)				<u>\$ 16,801</u>

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

STATE OF NEW MEXICO

Statement B-14

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 1,117,000	\$ 1,117,000	\$ 1,219,576	\$ 102,576
Intergovernmental	405,000	405,000	439,998	34,998
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,522,000</u>	<u>1,522,000</u>	<u>1,659,574</u>	<u>137,574</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	2,387,591	2,387,591	1,177,835	1,209,756
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,387,591</u>	<u>2,387,591</u>	<u>1,177,835</u>	<u>1,209,756</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(865,591)</u>	<u>(865,591)</u>	<u>481,739</u>	<u>1,347,330</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	550,000	550,000	-	(550,000)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	315,591	315,591	-	(315,591)
<i>Total other financing sources (uses)</i>	<u>865,591</u>	<u>865,591</u>	<u>-</u>	<u>(865,591)</u>
<i>Net change in fund balances</i>	-	-	481,739	481,739
<i>Fund balances - beginning of year</i>	-	-	315,591	315,591
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 797,330</u>	<u>\$ 797,330</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 481,739
Adjustments to revenues for taxes				(15,300)
Adjustments to expenditures for health and welfare				288
<i>Net change in fund balance (GAAP)</i>				<u>\$ 466,727</u>

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

STATE OF NEW MEXICO

Statement B-15

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 404,500	\$ 404,500	\$ 520,378	\$ 115,878
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	250	250	229	(21)
Miscellaneous	500	500	30	(470)
<i>Total revenues</i>	<u>405,250</u>	<u>405,250</u>	<u>520,637</u>	<u>115,387</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	668,225	606,225	104,229	501,996
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	1,112,665	1,171,665	288,478	883,187
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>1,780,890</u>	<u>1,777,890</u>	<u>392,707</u>	<u>1,385,183</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,375,640)</u>	<u>(1,372,640)</u>	<u>127,930</u>	<u>1,500,570</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(315,577)	(315,577)	(227,323)	88,254
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	1,691,217	1,688,217	-	(1,688,217)
<i>Total other financing sources (uses)</i>	<u>1,375,640</u>	<u>1,372,640</u>	<u>(227,323)</u>	<u>(1,599,963)</u>
<i>Net change in fund balances</i>	-	-	(99,393)	(99,393)
<i>Fund balances - beginning of year</i>	-	-	1,683,410	1,683,410
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,584,017</u>	<u>\$ 1,584,017</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (99,393)
Adjustments to revenues for taxes				(3,026)
Adjustments to expenditures for capital outlay				6,722
<i>Net change in fund balance (GAAP)</i>				<u>\$ (95,697)</u>

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

STATE OF NEW MEXICO

Statement B-16

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	50,000	50,000	51,056	1,056
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>51,056</u>	<u>1,056</u>
<i>Expenditures:</i>				
Current				
General Government	45,000	45,000	26,095	18,905
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	296,789	296,789	24,161	272,628
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>341,789</u>	<u>341,789</u>	<u>50,256</u>	<u>291,533</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(291,789)</u>	<u>(291,789)</u>	<u>800</u>	<u>292,589</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	291,789	291,789	-	(291,789)
<i>Total other financing sources (uses)</i>	<u>291,789</u>	<u>291,789</u>	<u>-</u>	<u>(291,789)</u>
<i>Net change in fund balances</i>	-	-	800	800
<i>Fund balances - beginning of year</i>	-	-	291,789	291,789
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 292,589</u>	<u>\$ 292,589</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 800
Adjustments to revenues for intergovernmental activity				294
Adjustments to expenditures for capital outlay				<u>(113)</u>
Net change in fund balance (GAAP)				<u>\$ 981</u>

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

STATE OF NEW MEXICO

Statement B-17

Taos County

Jail/Detention 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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 89,500	\$ 109,500	\$ 140,216	\$ 30,716
Intergovernmental	16,375	-	16,375	16,375
Licenses and fees	-	-	-	-
Charges for services	242,750	267,750	307,937	40,187
Investment income	-	-	-	-
Miscellaneous	2,500	2,500	1,698	(802)
<i>Total revenues</i>	<u>351,125</u>	<u>379,750</u>	<u>466,226</u>	<u>86,476</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	3,646,344	3,657,374	3,056,932	600,442
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>3,646,344</u>	<u>3,657,374</u>	<u>3,056,932</u>	<u>600,442</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,295,219)</u>	<u>(3,277,624)</u>	<u>(2,590,706)</u>	<u>686,918</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	2,795,595	2,795,595	2,565,000	(230,595)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	499,624	482,029	-	(482,029)
<i>Total other financing sources (uses)</i>	<u>3,295,219</u>	<u>3,277,624</u>	<u>2,565,000</u>	<u>(712,624)</u>
<i>Net change in fund balances</i>	-	-	(25,706)	(25,706)
<i>Fund balances - beginning of year</i>	-	-	499,623	499,623
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473,917</u>	<u>\$ 473,917</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (25,706)
Adjustments to revenues for charges for service				(27,391)
Adjustments to expenditures for public safety				(6,623)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (59,720)</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, 2014

	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	-	-	-	-
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>	-	-	-	-
<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, 2014

	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)	(75,000)	(75,000)	(75,000)	-
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>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	28,227	28,227
<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>				\$ -
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-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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	258,224	283,355	260,734	(22,621)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>258,224</u>	<u>283,355</u>	<u>260,734</u>	<u>(22,621)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	256,620	281,751	245,614	36,137
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>256,620</u>	<u>281,751</u>	<u>245,614</u>	<u>36,137</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,604</u>	<u>1,604</u>	<u>15,120</u>	<u>13,516</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	60,000	74,397	44,397	(30,000)
Operating transfers (out)	(77,247)	(102,378)	(42,247)	60,131
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	15,643	26,377	-	(26,377)
<i>Total other financing sources (uses)</i>	<u>(1,604)</u>	<u>(1,604)</u>	<u>2,150</u>	<u>3,754</u>
<i>Net change in fund balances</i>	-	-	17,270	17,270
<i>Fund balances - beginning of year</i>	-	-	38,754	38,754
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,024</u>	<u>\$ 56,024</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 17,270
Adjustments to revenues for intergovernmental activity				(21,665)
Adjustments to expenditures for public safety				(2,352)
<i>Net change in fund balance (GAAP)</i>				<u>\$ (6,747)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	65,052	86,143	44,921	(41,222)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>65,052</u>	<u>86,143</u>	<u>44,921</u>	<u>(41,222)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	74,143	86,143	62,386	23,757
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>74,143</u>	<u>86,143</u>	<u>62,386</u>	<u>23,757</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(9,091)</u>	<u>-</u>	<u>(17,465)</u>	<u>(17,465)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	29,755	29,755
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	9,091	-	-	-
<i>Total other financing sources (uses)</i>	<u>9,091</u>	<u>-</u>	<u>29,755</u>	<u>29,755</u>
<i>Net change in fund balances</i>	-	-	12,290	12,290
<i>Fund balances - beginning of year</i>	-	-	9,090	9,090
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,380</u>	<u>\$ 21,380</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 12,290
Adjustments to revenues for intergovernmental activity				18,147
Adjustments to expenditures for public safety				(1,338)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 29,099</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	28,002	28,002	22,277	(5,725)
Investment income	-	-	-	-
Miscellaneous	2,000	2,000	1,475	(525)
<i>Total revenues</i>	<u>30,002</u>	<u>30,002</u>	<u>23,752</u>	<u>(6,250)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	82,901	82,901	64,401	18,500
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>82,901</u>	<u>82,901</u>	<u>64,401</u>	<u>18,500</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(52,899)</u>	<u>(52,899)</u>	<u>(40,649)</u>	<u>12,250</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	52,899	52,899	-	(52,899)
<i>Total other financing sources (uses)</i>	<u>52,899</u>	<u>52,899</u>	<u>-</u>	<u>(52,899)</u>
<i>Net change in fund balances</i>	-	-	(40,649)	(40,649)
<i>Fund balances - beginning of year</i>	-	-	52,899	52,899
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,250</u>	<u>\$ 12,250</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (40,649)
Adjustments to revenues for charges for service				300
Adjustments to expenditures for public safety				1,366
<i>Net change in fund balance (GAAP)</i>				<u>\$ (38,983)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	3,000	3,000	4,757	1,757
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,000</u>	<u>3,000</u>	<u>4,757</u>	<u>1,757</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	15,427	15,427	7,609	7,818
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>15,427</u>	<u>15,427</u>	<u>7,609</u>	<u>7,818</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(12,427)</u>	<u>(12,427)</u>	<u>(2,852)</u>	<u>9,575</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	12,427	12,427	-	(12,427)
<i>Total other financing sources (uses)</i>	<u>12,427</u>	<u>12,427</u>	<u>-</u>	<u>(12,427)</u>
<i>Net change in fund balances</i>	-	-	(2,852)	(2,852)
<i>Fund balances - beginning of year</i>	-	-	12,427	12,427
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,575</u>	<u>\$ 9,575</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (2,852)
Adjustments to revenues for charges for service				50
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (2,802)</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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	14,000	14,000	7,255	(6,745)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	14,000	14,000	7,255	(6,745)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	14,000	14,000	12,786	1,214
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	14,000	14,000	12,786	1,214
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(5,531)	(5,531)
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	14,000	14,000
Operating transfers (out)	-	-	(5,000)	(5,000)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	9,000	9,000
<i>Net change in fund balances</i>	-	-	3,469	3,469
<i>Fund balances - beginning of year</i>	-	-	60	60
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 3,529	\$ 3,529
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 3,469
Adjustments to revenues for intergovernmental activity				6,065
Adjustments to expenditures for public safety				(624)
Net change in fund balance (GAAP)				\$ 8,910

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

STATE OF NEW MEXICO

Statement B-25

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	44,778	44,778
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>44,778</u>	<u>44,778</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	101,000	101,000	28,201	72,799
Education	-	-	-	-
Capital outlay	62,874	62,874	49,969	12,905
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>163,874</u>	<u>163,874</u>	<u>78,170</u>	<u>85,704</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(163,874)</u>	<u>(163,874)</u>	<u>(33,392)</u>	<u>130,482</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	163,874	163,874	-	(163,874)
<i>Total other financing sources (uses)</i>	<u>163,874</u>	<u>163,874</u>	<u>-</u>	<u>(163,874)</u>
<i>Net change in fund balances</i>	-	-	(33,392)	(33,392)
<i>Fund balances - beginning of year</i>	-	-	163,874	163,874
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,482</u>	<u>\$ 130,482</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (33,392)
No adjustments to revenues				-
Adjustments to expenditures for public works				<u>503</u>
<i>Net change in fund balance (GAAP)</i>				<u>\$ (32,889)</u>

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

STATE OF NEW MEXICO

Statement B-26

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	9,934	9,934	-	(9,934)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	9,934	9,934	-	(9,934)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	17,642	17,642	-	17,642
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	17,642	17,642	-	17,642
<i>Excess (deficiency) of revenues over expenditures</i>	(7,708)	(7,708)	-	7,708
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	7,708	7,708	-	(7,708)
<i>Total other financing sources (uses)</i>	7,708	7,708	-	(7,708)
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	8,626	8,626
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 8,626	\$ 8,626
<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-27

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	884,352	1,134,282	453,932	(680,350)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	2,000	2,173	173
<i>Total revenues</i>	<u>884,352</u>	<u>1,136,282</u>	<u>456,105</u>	<u>(680,177)</u>
<i>Expenditures:</i>				
Current				
General Government	15,000	54,500	9,414	45,086
Public safety	398,169	364,322	157,048	207,274
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	82,902	82,902	20,754	62,148
Education	-	-	-	-
Capital outlay	669,000	1,001,852	404,646	597,206
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>1,165,071</u>	<u>1,503,576</u>	<u>591,862</u>	<u>911,714</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(280,719)</u>	<u>(367,294)</u>	<u>(135,757)</u>	<u>231,537</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	76,400	600,725	658,199	57,474
Operating transfers (out)	(153,990)	(621,740)	(223,449)	398,291
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	358,309	388,309	-	(388,309)
<i>Total other financing sources (uses)</i>	<u>280,719</u>	<u>367,294</u>	<u>434,750</u>	<u>67,456</u>
<i>Net change in fund balances</i>	-	-	298,993	298,993
<i>Fund balances - beginning of year</i>	-	-	343,173	343,173
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 642,166</u>	<u>\$ 642,166</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 298,993
Adjustments to revenues for intergovernmental activity				7,742
Adjustments to expenditures for public safety				(3,722)
<i>Net change in fund balance (GAAP)</i>				<u>\$ 303,013</u>

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

STATE OF NEW MEXICO

Statement B-28

Taos County

Educational Bond Capital Projects Fund (Major)

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget (Non - GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	2,027	297	(1,730)
Miscellaneous	-	-	218	218
<i>Total revenues</i>	-	2,027	515	(1,512)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	2,696,944	2,696,942	2
Capital outlay	-	22,260,469	12,358,921	9,901,548
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	118,568	(118,568)
<i>Total expenditures</i>	-	24,957,413	15,174,431	9,782,982
<i>Excess (deficiency) of revenues over expenditures</i>	-	(24,955,386)	(15,173,916)	9,781,470
<i>Other financing sources (uses):</i>				
Operating transfers in	-	31,431	31,431	-
Operating transfers (out)	-	(31,432)	(31,919)	(487)
Bond premium	-	-	34,562	34,562
Bond discount	-	-	(187,000)	(187,000)
Bond insurance	-	-	(205,126)	(205,126)
Bond proceeds	-	24,955,636	22,000,000	(2,955,636)
Designated cash (budgeted increase in cash)	-	(249)	-	249
<i>Total other financing sources (uses)</i>	-	24,955,386	21,641,948	(3,313,438)
<i>Net change in fund balances</i>	-	-	6,468,032	6,468,032
<i>Fund balances - beginning of year</i>	-	-	2,969,600	2,969,600
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 9,437,632	\$ 9,437,632
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 6,468,032
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				\$ 6,468,032

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

STATE OF NEW MEXICO

Statement B-29

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, 2014

	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	137,000	137,000	22,641	114,359
Education	-	-	-	-
Capital outlay	488,100	488,100	315,689	172,411
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>625,100</u>	<u>625,100</u>	<u>338,330</u>	<u>286,770</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(625,100)</u>	<u>(625,100)</u>	<u>(338,330)</u>	<u>286,770</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	580,958	580,958	461,000	(119,958)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	44,142	44,142	-	(44,142)
<i>Total other financing sources (uses)</i>	<u>625,100</u>	<u>625,100</u>	<u>461,000</u>	<u>(164,100)</u>
<i>Net change in fund balances</i>	-	-	122,670	122,670
<i>Fund balances - beginning of year</i>	-	-	44,142	44,142
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,812</u>	<u>\$ 166,812</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 122,670
No adjustments to revenues				-
Adjustments to expenditures for public works				434
<i>Net change in fund balance (GAAP)</i>				<u>\$ 123,104</u>

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

STATE OF NEW MEXICO

Statement B-30

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, 2014

	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	5,564	2,861
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>8,425</u>	<u>8,425</u>	<u>5,564</u>	<u>2,861</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(8,425)</u>	<u>(8,425)</u>	<u>(5,564)</u>	<u>2,861</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>	-	-	(5,564)	(5,564)
<i>Fund balances - beginning of year</i>	-	-	8,425	8,425
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,861</u>	<u>\$ 2,861</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (5,564)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (5,564)</u>

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

STATE OF NEW MEXICO

Statement B-31

Taos County

Admin/Judicial Complex Projects 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, 2014

	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	-	-	-	-
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>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	1,102	1,102
<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>				\$ -
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-32

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	554	554
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	554	554
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	155,000	155,000	3,661	151,339
Education	-	-	-	-
Capital outlay	1,279,705	1,279,705	163,475	1,116,230
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	1,434,705	1,434,705	167,136	1,267,569
<i>Excess (deficiency) of revenues over expenditures</i>	(1,434,705)	(1,434,705)	(166,582)	1,268,123
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	1,434,705	1,434,705	-	(1,434,705)
<i>Total other financing sources (uses)</i>	1,434,705	1,434,705	-	(1,434,705)
<i>Net change in fund balances</i>	-	-	(166,582)	(166,582)
<i>Fund balances - beginning of year</i>	-	-	1,434,705	1,434,705
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,268,123	\$ 1,268,123
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (166,582)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				\$ (166,582)

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

STATE OF NEW MEXICO

Statement B-33

Taos County

Bond 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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	4,500	4,500	6,048	1,548
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,500</u>	<u>4,500</u>	<u>6,048</u>	<u>1,548</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	2,770	2,770	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,770</u>	<u>2,770</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,500</u>	<u>1,730</u>	<u>3,278</u>	<u>1,548</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	(4,071)	(4,071)
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(4,500)	(1,730)	-	1,730
<i>Total other financing sources (uses)</i>	<u>(4,500)</u>	<u>(1,730)</u>	<u>(4,071)</u>	<u>(2,341)</u>
<i>Net change in fund balances</i>	-	-	(793)	(793)
<i>Fund balances - beginning of year</i>	-	-	1,455,440	1,455,440
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,454,647</u>	<u>\$ 1,454,647</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (793)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (793)</u>

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

STATE OF NEW MEXICO

Statement B-34

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	199	199
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>199</u>	<u>199</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	2,689	2,689	-
Education	-	-	-	-
Capital outlay	-	-	181,361	(181,361)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>2,689</u>	<u>184,050</u>	<u>(181,361)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(2,689)</u>	<u>(183,851)</u>	<u>(181,162)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	181,361	181,361
Operating transfers (out)	-	(320,001)	(320,001)	-
Bond proceeds	-	-	358,544	358,544
Designated cash (budgeted increase in cash)	-	322,690	-	(322,690)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>2,689</u>	<u>219,904</u>	<u>217,215</u>
<i>Net change in fund balances</i>	-	-	36,053	36,053
<i>Fund balances - beginning of year</i>	-	-	8	8
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,061</u>	<u>\$ 36,061</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 36,053
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 36,053</u>

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

STATE OF NEW MEXICO

Statement B-35

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, 2014

	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	-	-	-	-
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>	-	-	-	-
<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-36

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 1,000	\$ 1,000	\$ 541	\$ (459)
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	62	62	62	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,062</u>	<u>1,062</u>	<u>603</u>	<u>(459)</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	14,000	14,000	14,000	-
Interest	31,300	31,350	31,350	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>70,021</u>	<u>70,071</u>	<u>45,350</u>	<u>24,721</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(68,959)</u>	<u>(69,009)</u>	<u>(44,747)</u>	<u>24,262</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	45,000	45,350	45,350	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	23,959	23,659	-	(23,659)
<i>Total other financing sources (uses)</i>	<u>68,959</u>	<u>69,009</u>	<u>45,350</u>	<u>(23,659)</u>
<i>Net change in fund balances</i>	-	-	603	603
<i>Fund balances - beginning of year</i>	-	-	40,273	40,273
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,876</u>	<u>\$ 40,876</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 603
Adjustments to revenues for taxes				42
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 645</u>

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

STATE OF NEW MEXICO

Statement B-37

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	7,058	7,058
<i>Total revenues</i>	-	-	7,058	7,058
<i>Expenditures:</i>				
Current				
General Government	-	30,302	30,294	8
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	30,302	30,294	8
<i>Excess (deficiency) of revenues over expenditures</i>	-	(30,302)	(23,236)	7,066
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	30,302	-	(30,302)
<i>Total other financing sources (uses)</i>	-	30,302	-	(30,302)
<i>Net change in fund balances</i>	-	-	(23,236)	(23,236)
<i>Fund balances - beginning of year</i>	-	-	23,236	23,236
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (23,236)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				\$ (23,236)

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

STATE OF NEW MEXICO

Statement B-38

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	189	189
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>189</u>	<u>189</u>
<i>Expenditures:</i>				
Current				
General Government	-	414	411	3
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>414</u>	<u>411</u>	<u>3</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(414)</u>	<u>(222)</u>	<u>192</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	414	-	(414)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>414</u>	<u>-</u>	<u>(414)</u>
<i>Net change in fund balances</i>	-	-	(222)	(222)
<i>Fund balances - beginning of year</i>	-	-	222	222
<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>				\$ (222)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (222)</u>

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

STATE OF NEW MEXICO

Statement B-39

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	26,101	26,101
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>26,101</u>	<u>26,101</u>
<i>Expenditures:</i>				
Current				
General Government	-	76,570	76,568	2
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>76,570</u>	<u>76,568</u>	<u>2</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(76,570)</u>	<u>(50,467)</u>	<u>26,103</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	76,570	-	(76,570)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>76,570</u>	<u>-</u>	<u>(76,570)</u>
<i>Net change in fund balances</i>	-	-	(50,467)	(50,467)
<i>Fund balances - beginning of year</i>	-	-	50,467	50,467
<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>				\$ (50,467)
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (50,467)</u>

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

STATE OF NEW MEXICO

Statement B-40

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, 2014

	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>	-	-	-	-
<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>	-	-	-	-
<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>	-	-	3	3
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 3	\$ 3
<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-41

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 750,000	\$ 750,000	\$ 898,281	\$ 148,281
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	400,772	400,772	408,600	7,828
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,150,772</u>	<u>1,150,772</u>	<u>1,306,881</u>	<u>156,109</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	778,950	778,950	829,474	(50,524)
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>778,950</u>	<u>778,950</u>	<u>829,474</u>	<u>(50,524)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>371,822</u>	<u>371,822</u>	<u>477,407</u>	<u>105,585</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(400,000)	(400,000)	(400,000)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	28,178	28,178	-	(28,178)
<i>Total other financing sources (uses)</i>	<u>(371,822)</u>	<u>(371,822)</u>	<u>(400,000)</u>	<u>(28,178)</u>
<i>Net change in fund balances</i>	-	-	77,407	77,407
<i>Fund balances - beginning of year</i>	-	-	290,921	290,921
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 368,328</u>	<u>\$ 368,328</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 77,407
Adjustments to revenues for taxes and charges for service				(8,777)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 68,630</u>

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

STATE OF NEW MEXICO

Statement B-42

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 12,421	\$ 12,421	\$ 12,422	\$ 1
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1	1	1	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>12,422</u>	<u>12,422</u>	<u>12,423</u>	<u>1</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	11,552	11,552	11,552	-
Interest	870	870	870	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>12,422</u>	<u>12,422</u>	<u>12,422</u>	<u>-</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)	-	-	-	-
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>	-	-	1	1
<i>Fund balances - beginning of year</i>	-	-	2,092	2,092
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,093</u>	<u>\$ 2,093</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 1
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 1</u>

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

STATE OF NEW MEXICO

Statement B-43

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,671	4,671	4,671	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1	1	-	(1)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,672</u>	<u>4,672</u>	<u>4,671</u>	<u>(1)</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	4,671	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>4,671</u>	<u>4,671</u>	<u>4,671</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(1)	(1)	-	1
<i>Total other financing sources (uses)</i>	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>1</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-44

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	18,124	18,124	18,123	(1)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	5	5	2	(3)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>18,129</u>	<u>18,129</u>	<u>18,125</u>	<u>(4)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	17,567	17,567	17,567	-
Interest	556	556	556	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>18,123</u>	<u>18,123</u>	<u>18,123</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>6</u>	<u>6</u>	<u>2</u>	<u>(4)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(6)	(6)	-	6
<i>Total other financing sources (uses)</i>	<u>(6)</u>	<u>(6)</u>	<u>-</u>	<u>6</u>
<i>Net change in fund balances</i>	-	-	2	2
<i>Fund balances - beginning of year</i>	-	-	3	3
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 5</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-45

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	10	10	5	(5)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10</u>	<u>10</u>	<u>5</u>	<u>(5)</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>10</u>	<u>10</u>	<u>5</u>	<u>(5)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	77,212	77,212	77,212	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(77,222)	(77,222)	-	77,222
<i>Total other financing sources (uses)</i>	<u>(10)</u>	<u>(10)</u>	<u>77,212</u>	<u>77,222</u>
<i>Net change in fund balances</i>	-	-	77,217	77,217
<i>Fund balances - beginning of year</i>	-	-	225,226	225,226
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,443</u>	<u>\$ 302,443</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 77,217
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 77,217</u>

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

STATE OF NEW MEXICO

Statement B-46

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	915,000	915,000	829,473	(85,527)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	5	5	1	(4)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>915,005</u>	<u>915,005</u>	<u>829,474</u>	<u>(85,531)</u>
<i>Expenditures:</i>				
Current				
General Government	92,000	92,000	85,325	6,675
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>92,000</u>	<u>92,000</u>	<u>85,325</u>	<u>6,675</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>823,005</u>	<u>823,005</u>	<u>744,149</u>	<u>(78,856)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	(862,212)	(862,212)	(716,755)	145,457
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	39,207	39,207	-	(39,207)
<i>Total other financing sources (uses)</i>	<u>(823,005)</u>	<u>(823,005)</u>	<u>(716,755)</u>	<u>106,250</u>
<i>Net change in fund balances</i>	-	-	27,394	27,394
<i>Fund balances - beginning of year</i>	-	-	2,855	2,855
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,249</u>	<u>\$ 30,249</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 27,394
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 27,394</u>

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

STATE OF NEW MEXICO

Statement B-47

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	28	28	7	(21)
Miscellaneous	-	-	129,693	129,693
<i>Total revenues</i>	<u>28</u>	<u>28</u>	<u>129,700</u>	<u>129,672</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	180,000	180,000	170,000	10,000
Interest	599,000	599,000	598,538	462
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>779,000</u>	<u>779,000</u>	<u>768,538</u>	<u>10,462</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(778,972)</u>	<u>(778,972)</u>	<u>(638,838)</u>	<u>140,134</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	785,000	785,000	639,543	(145,457)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	(6,028)	(6,028)	-	6,028
<i>Total other financing sources (uses)</i>	<u>778,972</u>	<u>778,972</u>	<u>639,543</u>	<u>(139,429)</u>
<i>Net change in fund balances</i>	-	-	705	705
<i>Fund balances - beginning of year</i>	-	-	104,879	104,879
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,584</u>	<u>\$ 105,584</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 705
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 705</u>

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

STATE OF NEW MEXICO

Statement B-48

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 1,950,000	\$ 1,970,400	\$ 1,970,400	\$ -
Intergovernmental	-	101,870	101,870	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	110	110	110	-
Miscellaneous	-	-	5,233	5,233
<i>Total revenues</i>	1,950,110	2,072,380	2,077,613	5,233
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	875,000	875,000	875,000	-
Interest	1,195,553	1,195,553	1,195,553	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	2,070,553	2,070,553	2,070,553	-
<i>Excess (deficiency) of revenues over expenditures</i>	(120,443)	1,827	7,060	5,233
<i>Other financing sources (uses):</i>				
Operating transfers in	110,000	110,000	4,071	(105,929)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	10,443	(111,827)	-	111,827
<i>Total other financing sources (uses)</i>	120,443	(1,827)	4,071	5,898
<i>Net change in fund balances</i>	-	-	11,131	11,131
<i>Fund balances - beginning of year</i>	-	-	153,080	153,080
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 164,211	\$ 164,211
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 11,131
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				\$ 11,131

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

STATE OF NEW MEXICO

Statement B-49

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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ 530,932	\$ 530,932
Intergovernmental	-	4,358,829	4,334,194	(24,635)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	23	23
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	4,358,829	4,865,149	506,320
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	1,492,320	1,492,316	4
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	1,492,320	1,492,316	4
<i>Excess (deficiency) of revenues over expenditures</i>	-	2,866,509	3,372,833	506,324
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(4,116,776)	(4,116,776)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	1,250,267	-	(1,250,267)
<i>Total other financing sources (uses)</i>	-	(2,866,509)	(4,116,776)	(1,250,267)
<i>Net change in fund balances</i>	-	-	(743,943)	(743,943)
<i>Fund balances - beginning of year</i>	-	-	961,384	961,384
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 217,441	\$ 217,441
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ (743,943)
Adjustments to revenues for taxes				(530,932)
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ (1,274,875)</u>

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

STATE OF NEW MEXICO

Statement B-50

Taos County

2013 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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	11	11
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	11	11
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	2,865,000	2,865,000	-
Interest	-	394,844	394,844	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	3,259,844	3,259,844	-
<i>Excess (deficiency) of revenues over expenditures</i>	-	(3,259,844)	(3,259,833)	11
<i>Other financing sources (uses):</i>				
Operating transfers in	-	4,052,000	4,116,309	64,309
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(792,156)	-	792,156
<i>Total other financing sources (uses)</i>	-	3,259,844	4,116,309	856,465
<i>Net change in fund balances</i>	-	-	856,476	856,476
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 856,476	\$ 856,476
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 856,476
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				\$ 856,476

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

STATE OF NEW MEXICO

Statement B-51

Taos County

2013 Educational Bond Redemption 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, 2014

	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	-	665,475	665,468	(7)
Operating transfers (out)	-	(665,000)	(665,000)	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(475)	-	475
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>468</u>	<u>468</u>
<i>Net change in fund balances</i>	-	-	468	468
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468</u>	<u>\$ 468</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 468
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 468</u>

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

STATE OF NEW MEXICO

Statement B-52

Taos County

Taos 46 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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ 10,095	\$ 10,095
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>10,095</u>	<u>10,095</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>10,095</u>	<u>10,095</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	1	-	(1)
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	(1)	-	1
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	10,095	10,095
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,095</u>	<u>\$ 10,095</u>
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 10,095
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				<u>\$ 10,095</u>

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

STATE OF NEW MEXICO

Statement B-53

Taos County

Taos 46 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, 2014

	Budgeted Amounts		Actual Amounts	Variance Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	106	106
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	106	106
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Education	-	-	-	-
Capital outlay	-	320,000	293,815	26,185
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	320,000	293,815	26,185
<i>Excess (deficiency) of revenues over expenditures</i>	-	(320,000)	(293,709)	26,291
<i>Other financing sources (uses):</i>				
Operating transfers in	-	320,000	320,000	-
Operating transfers (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash (budgeted increase in cash)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	320,000	320,000	-
<i>Net change in fund balances</i>	-	-	26,291	26,291
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 26,291	\$ 26,291
<i>Net change in fund balance (non-GAAP budgetary basis)</i>				\$ 26,291
No adjustments to revenues				-
No adjustments to expenditures				-
<i>Net change in fund balance (GAAP)</i>				\$ 26,291

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

STATE OF NEW MEXICO

Statement C-1

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, 2014

	Budget Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		
<i>Operating revenues:</i>				
Charges for services	\$ 786,000	\$ 804,000	\$ 884,893	\$ 80,893
<i>Total operating revenues</i>	<u>786,000</u>	<u>804,000</u>	<u>884,893</u>	<u>80,893</u>
<i>Operating expenses:</i>				
Personnel services	742,407	772,409	768,645	3,764
Contractual services	210,200	210,200	190,935	19,265
Administration	123,250	126,250	134,049	(7,799)
Maintenance and materials	45,800	38,800	27,603	-
<i>Total operating expenses</i>	<u>1,121,657</u>	<u>1,147,659</u>	<u>1,121,232</u>	<u>15,230</u>
<i>Operating income (loss)</i>	<u>(335,657)</u>	<u>(343,659)</u>	<u>(236,339)</u>	<u>65,663</u>
<i>Non-operating revenues (expenses):</i>				
Taxes	208,250	216,250	260,850	44,600
Miscellaneous income	450	450	1,006	556
<i>Total non-operating revenues (expenses)</i>	<u>208,700</u>	<u>216,700</u>	<u>261,856</u>	<u>45,156</u>
<i>Income (loss) before contributions and transfers</i>	<u>(126,957)</u>	<u>(126,959)</u>	<u>25,517</u>	<u>110,819</u>
Transfers in (out)	-	-	-	-
<i>Change in net position</i>	<u>\$ (126,957)</u>	<u>\$ (126,959)</u>	<u>25,517</u>	<u>\$ 110,819</u>
		Bad debt expense	(25,224)	
		Depreciation	(31,921)	
<i>Change in net position per financials</i>			<u>\$ (31,628)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement C-2

Taos County

Ambulance Proprietary Fund (major)

Statement of Revenues, Expenses and Changes in Net Position

Budget and Actual

For the Year Ended June 30, 2014

	Budget Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final		
<i>Operating revenues:</i>				
Charges for services	\$ 775,000	\$ 775,000	\$ 1,324,331	\$ 549,331
<i>Total operating revenues</i>	<u>775,000</u>	<u>775,000</u>	<u>1,324,331</u>	<u>549,331</u>
<i>Operating expenses:</i>				
Personnel services	1,336,821	1,336,821	1,265,615	71,206
Contractual services	55,000	55,000	31,798	23,202
Administration	101,150	101,150	94,570	6,580
Maintenance and materials	113,434	113,434	63,722	
<i>Total operating expenses</i>	<u>1,606,405</u>	<u>1,606,405</u>	<u>1,455,705</u>	<u>100,988</u>
<i>Operating income (loss)</i>	<u>(831,405)</u>	<u>(831,405)</u>	<u>(131,374)</u>	<u>448,343</u>
<i>Non-operating revenues (expenses):</i>				
Taxes	-	-	-	-
Miscellaneous income	-	-	45	45
<i>Total non-operating revenues (expenses)</i>	<u>-</u>	<u>-</u>	<u>45</u>	<u>45</u>
<i>Income (loss) before contributions and transfers</i>	<u>(831,405)</u>	<u>(831,405)</u>	<u>(131,329)</u>	<u>448,388</u>
Transfers in (out)	-	-	602,323	602,323
<i>Change in net position</i>	<u>\$ (831,405)</u>	<u>\$ (831,405)</u>	470,994	<u>\$ 1,050,711</u>
			Bad debt expense	(338,412)
			Depreciation	(965,255)
<i>Change in net position per financials</i>			<u>\$ (832,673)</u>	

The accompanying notes are an integral part of these financial statements

SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
Taos County
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

Schedule I

Security Description	CUSIP Number	Fair Market Value/ Par Value at June 30, 2014	Maturity Date	Location of Safekeeper
US Bank				
FNMA Pool AE7757	31419JTP3	\$ 54,768	11/1/2025	FHLB, Dallas, TX
FNMA Pool AE9299	31419LKM4	368,355	11/1/2025	FHLB, Dallas, TX
FNMA POOL AE7757	31419JTP3	54,768	11/1/2025	FHLB, Dallas, TX
FNMA POOL AE9299	31419LKM4	368,355	11/1/2025	FHLB, Dallas, TX
FHLB of Cincinnati	(2) NA	<u>20,000,000</u>	7/1/2014	FHLB, Cincinnati, OH
Total - US Bank		<u>20,846,246</u>		
Centinel Bank				
N.M.M.I Revenue	(1) 647183BM3	<u>50,000</u>	6/1/2023	TIB, Irving, TX
Total - Centinel Bank		<u>50,000</u>		
Peoples Bank				
MBS FHLMC 20-Yr C90613	31335HVEO	<u>52,231</u>	1/1/2023	Overland Park, KS
Total - Peoples Bank		<u>52,231</u>		
Total Pledged Collateral		<u><u>\$ 20,948,477</u></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, 2014

<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	54,343	-	-	54,343
Internet Account	Checking	48	-	-	48
Office of the Justice	Checking	1,256	-	-	1,256
General	Checking	15,190,137	5,927	685,625	14,510,439
US Department of Energy - Old Courthouse	Checking	2,668	-	-	2,668
County Complex	Checking	1,268,222	-	-	1,268,222
Inmate Trust Account	Checking	12,288	-	2,187	10,101
Office of the Justice	Checking	90	-	-	90
Gold Credit Card Account	Checking	4,099	-	-	4,099
Certificate of Deposit	CD	2,035,090	-	-	2,035,090
Escrow Acct	Checking	20,131	-	-	20,131
General Fund	Checking	126,102	-	32	126,070
Section 8 General Fund Operational	Checking	70,431	-	4,884	65,547
Home House by House	Checking	586	-	-	586
Home House by House	Checking	1,093	-	-	1,093
Total US Bank		<u>18,799,064</u>	<u>5,927</u>	<u>692,728</u>	<u>18,112,263</u>
Centinel Bank					
General	Checking	207,001	-	-	207,001
A G Center	Checking	15,060	-	-	15,060
Taos County Housing Authority Checking	Checking	51,005	-	-	51,005
Payroll Checking	Checking	172	-	-	172
Credit Card Payment	Checking	443	-	-	443
Total Centinel Bank		<u>273,681</u>	<u>-</u>	<u>-</u>	<u>273,681</u>
People's Bank					
General Account	Checking	99,879	-	-	99,879
Low Rent Public Housing	Checking	292,930	-	1,653	291,277
Certificate of Deposit	CD	58,000	-	-	58,000
Certificate of Deposit	CD	58,000	-	-	58,000
Total People's Bank		<u>508,809</u>	<u>-</u>	<u>1,653</u>	<u>507,156</u>
Bank of New York					
NM Ed Grt 2013 UNM-Taos	Trust	4,585,034	-	-	4,585,034
NM Ed Grt 2013 Questa ISD	Trust	1,090,173	-	-	1,090,173
NM Ed Grt 2013 Red River	Trust	275,984	-	-	275,984
NM Ed Grt 2013 Roots&wing	Trust	181,527	-	-	181,527
NM Ed Grt 2013 Penasco SD	Trust	1,304,360	-	-	1,304,360
NM Ed Grt 2013 LA Jicarit	Trust	139,571	-	-	139,571
NM Ed Grt 2013 Taos chart	Trust	430,637	-	-	430,637
NM Ed Grt 2013 Anansi	Trust	308,493	-	-	308,493
NM Ed Grt 2013 Vista Gren	Trust	125,537	-	-	125,537
NM Ed Grt 2013 Taos Arts	Trust	469,788	-	-	469,788
NM Ed Grt 2013 Taos Acad	Trust	511,465	-	-	511,465
NM Ed Grt 2013 Grt Income Fd 2013	Trust	217,440	-	-	217,440
NM Ed Grt 2013 Debt Serv	Trust	856,476	-	-	856,476
NM Ed Grt 2013 Mand Redmp	Trust	468	-	-	468
Total Bank of New York		<u>10,496,953</u>	<u>-</u>	<u>-</u>	<u>10,496,953</u>

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>
Bank of Albuquerque					
Solid Waste Backhoe Taos 35	Trust	\$ 2,093	\$ -	\$ -	\$ 2,093
County Later VFD - Fire Pumper	Trust	1	-	-	1
La Lama- Fire Pumper Taos 39	Trust	5	-	-	5
Taos County New Re-structure Loan Taos 40	Trust	164,211	-	-	164,211
Taos County Restructuring Loan Taos 40	Trust	1,405,664	-	-	1,405,664
Hondo/Seco Fire Pumper	Trust	7	-	-	7
Class A Fire Pumper	Trust	137	-	-	137
3 Trucks SW Department	Trust	10,095	-	-	10,095
3 Trucks SW Department	Trust	35,916	-	-	35,916
3 Trucks SW Department	Trust	26,291	-	-	26,291
Total Bank of Albuquerque		<u>1,644,420</u>	<u>-</u>	<u>-</u>	<u>1,644,420</u>
Bank of Albuquerque					
Judicial/Admin/Correction Complex Reserve	Trust	302,443	-	-	302,443
Judicial/Admin/Correction Complex Debt Sc.	Trust	105,584	-	-	105,584
Judicial/Admin/Correction Complex Income	Trust	30,249	-	-	30,249
Total Bank of Albuquerque		<u>438,276</u>	<u>-</u>	<u>-</u>	<u>438,276</u>
Total on deposit and investments		<u>\$ 32,161,203</u>	<u>\$ 5,927</u>	<u>\$ 694,381</u>	<u>31,472,749</u>
Less: Fiduciary Cash					(673,690)
Add: Petty Cash					2,378
Total on deposit and investments					<u>\$ 30,801,437</u>
Cash in Governmental Activities Per Ex A-1					\$ 14,750,196
Investments Governmental Activities Per Ex A-1					3,650,760
Restricted Cash in Governmental Activities Per Ex A-1					11,538,217
Cash in Business-Type Activities Per Ex A-1					774,273
Restricted Cash in Business-Type Activities Per Ex A-1					87,991
					<u>\$ 30,801,437</u>

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STATE OF NEW MEXICO
Taos County
Tax Roll Reconciliation - Changes in Property Taxes Receivable
For the Year Ended June 30, 2014

Schedule III

Property taxes receivable, beginning of year	\$ 4,919,139
Changes to Tax Roll:	
Net taxes charged to Treasurer for fiscal year	25,556,356
Adjustments:	
Charge off of taxes receivable	<u>(160,270)</u>
Total receivables prior to collections	30,315,225
Collections for fiscal year ended June 30, 2014	<u>25,047,713</u>
Property taxes receivable, end of year	<u><u>\$ 5,267,512</u></u>
Property taxes receivable by year:	
2004	\$ 198,316
2005	224,832
2006	244,920
2007	297,052
2008	356,597
2009	97,749
2010	277,611
2011	283,842
2012	817,281
2013	<u>2,469,312</u>
Total property taxes receivable	<u><u>\$ 5,267,512</u></u>

See independent auditors' report

STATE OF NEW MEXICO
Taos County
Property Taxes Receivable by Agency
June 30, 2014

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							
2013	\$ 131,723	\$ 114,494	\$ 114,494	\$ 114,494	\$ 107,175	\$ 7,320	\$ 17,229
2012	105,732	10,950	100,210	89,260	100,210	-	5,523
2011	105,538	6,250	104,091	6,233	104,091	-	1,447
2010	116,320	775	109,207	6,068	109,207	-	7,114
2009	112,877	2,571	109,044	534	109,044	-	3,834
2008	105,570	842	103,433	69	103,433	-	2,137
2007	97,668	-	96,527	74	96,527	-	1,141
2006	93,019	-	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
Total	1,060,565	135,883	1,018,007	216,747	1,010,687	7,320	42,559
El Valle de Los Ranchos Sanitation & Water District							
2013	603,165	523,311	523,311	523,311	505,342	17,970	79,854
2012	578,418	34,030	544,817	510,787	544,817	-	33,601
2011	572,796	13,519	549,253	41,596	549,253	-	23,544
2010	553,019	2,980	536,719	17,161	536,719	-	16,300
2009	543,598	1,740	525,952	5,897	525,952	-	17,647
2008	451,199	461	440,212	2,361	440,212	-	10,987
2007	350,625	135	344,135	666	344,135	-	6,490
2006	305,395	695	299,194	77	299,194	-	6,201
2005	294,592	145	290,183	71	290,183	-	4,410
2004	257,835	91	255,196	69	255,196	-	2,639
Total	4,510,643	577,107	4,308,971	1,101,995	4,291,002	17,970	201,672
Taos Soil & Conservation Service							
2013	989,675	890,408	890,408	890,408	867,294	23,115	99,267
2012	972,906	51,535	927,966	876,431	927,966	-	44,940
2011	968,000	18,615	935,382	56,536	935,382	-	32,618
2010	936,931	4,193	910,117	19,006	910,117	-	26,814
2009	919,377	2,176	896,967	5,476	896,967	-	22,410
2008	809,223	761	794,595	2,090	794,595	-	14,628
2007	756,425	484	739,534	819	739,534	-	16,891
2006	651,380	559	640,882	275	640,882	-	10,499
2005	479,486	232	469,014	159	469,014	-	10,473
2004	448,572	35	440,486	152	440,486	-	8,086
Total	7,931,976	968,999	7,645,351	1,851,353	7,622,236	23,115	286,625
Taos Education Center							
2013	1,904,555	1,734,861	1,734,861	1,734,861	1,691,122	43,739	169,695
2012	1,822,629	90,128	1,762,658	1,672,531	1,762,658	-	59,971
2011	1,720,023	30,031	1,687,926	103,674	1,687,926	-	32,096
2010	1,634,756	8,569	1,609,514	34,980	1,609,514	-	25,242
2009	1,605,719	5,414	1,586,611	8,677	1,586,611	-	19,107
2008	1,446,980	2,484	1,418,131	3,468	1,418,131	-	28,849
2007	1,296,367	755	1,275,552	1,328	1,275,552	-	20,815
2006	1,155,636	928	1,136,249	587	1,136,249	-	19,387
2005	1,049,484	424	1,035,592	453	1,035,592	-	13,892
2004	973,095	111	960,326	446	960,326	-	12,769
Total	14,609,245	1,873,704	14,207,422	3,561,006	14,163,683	43,739	401,824

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							
2013	\$ 1,020,560	\$ 929,018	\$ 929,018	\$ 929,018	\$ 902,508	\$ 26,510	\$ 91,542
2012	971,249	53,713	964,173	910,460	964,173	-	7,075
2011	906,343	16,248	894,595	68,964	894,595	-	11,749
2010	858,116	8,025	844,477	25,814	844,477	-	13,639
2009	845,581	5,928	849,018	5,683	849,018	-	(3,437)
2008	760,321	3,006	739,615	1,185	739,615	-	20,706
2007	665,593	86	654,052	139	654,052	-	11,541
2006	579,405	81	569,501	69	569,501	-	9,904
2005	530,132	-	524,824	40	524,824	-	5,308
2004	496,957	-	491,618	42	491,618	-	5,339
Total	7,634,259	1,016,106	7,460,893	1,941,416	7,434,383	26,510	173,366
Village of Questa							
2013	106,663	90,549	90,549	90,549	86,860	3,688	16,114
2012	102,597	8,037	96,416	88,378	96,416	-	6,181
2011	95,933	2,240	92,474	10,457	92,474	-	3,459
2010	90,425	638	88,495	3,791	88,495	-	1,931
2009	90,526	278	89,233	833	89,233	-	1,293
2008	84,585	113	82,526	542	82,526	-	2,059
2007	78,504	46	76,804	149	76,804	-	1,700
2006	72,883	48	71,514	46	71,514	-	1,370
2005	49,423	17	48,977	30	48,977	-	446
2004	46,848	-	45,923	19	45,923	-	926
Total	818,388	101,965	782,910	194,795	779,222	3,688	35,478
Town of Red River							
2013	357,651	325,088	325,088	325,088	318,838	6,250	32,563
2012	341,168	18,764	332,616	313,851	332,616	-	8,552
2011	320,823	2,578	311,425	20,577	311,425	-	9,398
2010	295,212	390	291,290	3,050	291,290	-	3,923
2009	292,326	54	290,032	681	290,032	-	2,294
2008	271,960	52	268,233	286	268,233	-	3,727
2007	252,242	-	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
Total	2,806,582	346,927	2,733,952	663,538	2,727,702	6,250	72,630
Village of Taos Ski Valley							
2013	454,787	422,730	422,730	422,730	411,245	11,485	32,057
2012	431,802	19,227	424,354	405,127	424,354	-	7,448
2011	192,058	2,017	187,904	12,681	187,904	-	4,153
2010	182,109	1,115	177,760	1,760	177,760	-	4,349
2009	176,591	228	177,561	295	177,561	-	(970)
2008	132,233	38	131,582	113	131,582	-	651
2007	116,129	4	118,332	4	118,332	-	(2,203)
2006	100,418	4	99,483	4	99,483	-	935
2005	77,354	4	76,447	4	76,447	-	907
2004	71,099	4	70,080	4	70,080	-	1,019
Total	1,934,580	445,370	1,886,234	842,722	1,874,749	11,485	48,347

STATE OF NEW MEXICO
Taos County
Property Taxes Receivable by Agency
June 30, 2014

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							
2013	\$ 1,851,271	\$ 1,676,656	\$ 1,676,656	\$ 1,676,656	\$ 1,634,099	\$ 42,557	\$ 174,614
2012	1,799,659	92,882	1,734,869	1,641,987	1,734,869	-	64,790
2011	1,806,992	32,397	1,765,826	108,426	1,953,314	-	41,167
2010	1,999,151	10,647	1,963,961	42,719	1,467,723	-	35,190
2009	1,494,659	4,822	1,472,544	8,662	1,425,526	-	22,115
2008	1,460,685	2,347	1,427,873	3,369	1,280,645	-	32,812
2007	1,306,156	747	1,281,392	1,260	1,135,036	-	24,764
2006	1,159,207	829	1,135,864	528	1,013,252	-	23,343
2005	1,029,813	397	1,013,649	376	744,519	-	16,164
2004	756,888	86	744,605	285	1,069,680	-	12,283
Total	14,664,482	1,821,810	14,217,240	3,484,268	13,458,664	42,557	447,242
Cattle, Sheep, Goats, Equine							
2013	15,248	9,529	9,529	9,529	9,431	99	5,718
2012	12,486	385	9,256	8,871	9,256	-	3,230
2011	10,758	139	8,163	676	8,163	-	2,596
2010	10,134	18	7,782	152	7,782	-	2,352
2009	11,127	67	9,023	9	9,023	-	2,104
2008	10,095	11	8,303	-	8,303	-	1,792
2007	12,575	20	10,547	3	10,547	-	2,027
2006	10,408	25	8,993	-	8,993	-	1,415
2005	10,939	13	9,463	-	9,463	-	1,476
2004	10,449	3	8,452	-	8,452	-	1,996
Total	114,219	10,210	89,512	19,241	89,414	99	24,707
Taos Municipal Schools							
2013	5,741,972	5,218,517	5,218,517	5,218,517	5,082,354	136,163	523,455
2012	4,827,278	244,239	4,667,027	4,422,788	4,667,027	-	160,251
2011	5,926,493	107,216	5,812,540	367,896	5,812,540	-	113,953
2010	5,845,990	32,747	5,752,872	130,595	5,752,872	-	93,118
2009	4,517,677	15,998	4,465,614	25,377	4,465,614	-	52,062
2008	4,191,993	7,608	4,105,838	10,170	4,105,838	-	86,155
2007	3,827,087	2,168	3,764,736	3,848	3,764,736	-	62,351
2006	2,851,572	2,295	2,801,593	1,428	2,801,593	-	49,979
2005	2,872,934	1,141	2,836,094	1,222	2,836,094	-	36,839
2004	2,738,972	306	2,703,128	1,235	2,703,128	-	35,843
Total	43,341,967	5,632,234	42,127,958	10,183,077	41,991,795	136,163	1,214,008
Penasco Independent Schools							
2013	271,648	240,477	240,477	240,477	233,489	6,988	31,171
2012	164,525	11,547	156,213	144,666	156,213	-	8,312
2011	135,107	4,222	131,452	8,166	131,452	-	3,656
2010	294,866	4,103	289,239	6,304	289,239	-	5,628
2009	368,959	2,242	362,547	2,675	362,547	-	6,412
2008	218,680	359	214,555	426	214,555	-	4,125
2007	196,915	79	192,683	282	192,683	-	4,232
2006	190,657	8	187,473	11	187,473	-	3,184
2005	182,838	7	180,558	7	180,558	-	2,280
2004	138,630	1	137,036	1	137,036	-	1,595
Total	2,162,826	263,045	2,092,233	403,016	2,085,244	6,988	70,593

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							
2013	\$ 379,558	\$ 304,778	\$ 304,778	\$ 304,778	\$ 299,497	\$ 5,282	\$ 74,780
2012	361,476	22,156	316,727	294,571	316,727	-	44,749
2011	366,428	9,335	326,583	22,567	326,583	-	39,845
2010	340,426	1,430	312,229	11,876	312,229	-	28,197
2009	361,432	762	335,521	8,097	335,521	-	25,911
2008	368,909	610	332,799	296	332,799	-	36,109
2007	329,261	658	297,906	110	297,906	-	31,356
2006	203,209	313	181,172	31	181,172	-	22,038
2005	139,150	206	123,888	13	123,888	-	15,263
2004	141,528	18	126,720	13	126,720	-	14,808
Total	2,991,378	340,267	2,658,323	642,352	2,653,042	5,282	333,054
Questa Independent Schools							
2013	1,158,447	1,061,951	1,061,951	1,061,951	1,042,742	19,209	96,496
2012	981,654	49,895	953,329	903,434	953,329	-	28,325
2011	891,431	10,859	871,389	42,722	871,389	-	20,042
2010	883,489	1,783	872,075	11,375	872,075	-	11,413
2009	881,504	1,015	844,983	2,793	844,983	-	36,521
2008	597,930	288	586,804	1,218	586,804	-	11,126
2007	572,159	191	563,978	425	563,978	-	8,181
2006	626,719	129	617,732	234	617,732	-	8,987
2005	598,883	100	592,023	118	592,023	-	6,860
2004	602,597	88	593,754	85	593,755	-	8,843
Total	7,794,813	1,126,299	7,558,019	2,024,354	7,538,811	19,209	236,794
1% Administrative Fee							
2013	253,425	230,759	230,764	230,759	230,759	-	22,661
2012	233,307	12,540	226,851	214,307	226,847	-	6,456
2011	233,716	4,372	230,009	14,823	230,009	-	3,706
2010	230,066	1,324	227,621	5,306	227,622	-	2,445
2009	211,040	752	209,874	1,340	209,874	-	1,166
2008	188,724	340	185,768	447	185,776	-	2,956
2007	169,717	91	167,782	153	167,785	-	1,935
2006	145,619	106	143,573	56	143,579	-	2,047
2005	133,948	45	132,535	42	132,545	-	1,413
2004	124,008	12	122,655	40	122,650	-	1,354
Total	1,923,570	250,341	1,877,431	467,273	1,877,445	-	46,138
Taos County							
2013	10,316,007	9,313,910	9,313,910	9,313,910	9,313,910	-	1,002,097
2012	9,809,426	535,333	9,481,550	8,946,217	9,481,550	-	327,876
2011	9,042,471	177,904	9,102,058	597,667	9,102,058	-	(59,587)
2010	8,785,682	53,821	8,785,727	211,038	8,785,727	-	(45)
2009	8,668,817	31,274	8,779,537	57,187	8,779,537	-	(110,720)
2008	7,851,575	14,722	7,753,795	18,704	7,753,795	-	97,780
2007	7,067,467	3,645	6,964,342	6,086	6,964,342	-	103,125
2006	6,247,183	4,585	6,165,820	2,294	6,165,820	-	81,363
2005	5,739,311	1,769	5,635,185	1,675	5,635,185	-	104,126
2004	5,378,821	481	5,292,360	1,589	5,292,360	-	86,461
Total	78,906,760	10,137,443	77,274,284	19,156,368	77,274,284	-	1,632,476

STATE OF NEW MEXICO
 Taos County
 Property Taxes Receivable by Agency
 June 30, 2014

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							
2013	\$ 25,556,356	\$ 23,087,039	\$ 23,087,044	\$23,087,039	\$ 22,736,664	\$ 350,375	\$ 2,469,312
2012	23,516,314	1,255,363	22,699,032	21,443,666	22,699,028	-	817,281
2011	23,294,911	437,941	23,011,069	1,483,663	23,198,558	-	283,842
2010	23,056,695	132,557	22,779,084	530,995	22,282,847	-	277,611
2009	21,101,813	75,319	21,004,063	134,217	20,957,045	-	97,749
2008	18,950,660	34,042	18,594,062	44,744	18,446,842	-	356,597
2007	17,094,891	9,107	16,797,840	15,352	16,651,486	-	297,052
2006	14,630,959	10,604	14,386,040	5,653	14,263,433	-	244,920
2005	13,508,357	4,500	13,283,525	4,212	13,014,405	-	224,832
2004	12,495,297	1,236	12,296,981	3,979	12,622,053	-	198,316
Grand Total	\$ 193,206,253	\$ 25,047,708	\$ 187,938,741	\$ 46,753,519	\$ 186,872,362	\$ 350,375	\$ 5,267,512

See independent auditors' report

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

Schedule V

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
<i>Assets</i>				
Cash and cash equivalents	\$ 547,653	\$ 30,900,781	\$ 30,774,744	\$ 673,690
Taxes receivable	3,483,883	27,673,959	27,522,806	3,635,036
Due from other governments	<u>140,488</u>	<u>134,365</u>	<u>140,488</u>	<u>134,365</u>
 Total assets	 <u>\$ 4,172,024</u>	 <u>\$ 58,709,105</u>	 <u>\$ 58,438,038</u>	 <u>\$ 4,443,091</u>
 <i>Liabilities</i>				
Due to other taxing entities	\$ 3,483,883	\$ 27,673,959	\$ 27,522,806	\$ 3,635,036
Deposits held in trust	<u>688,141</u>	<u>31,035,146</u>	<u>30,915,232</u>	<u>808,055</u>
 Total liabilities	 <u>\$ 4,172,024</u>	 <u>\$ 58,709,105</u>	 <u>\$ 58,438,038</u>	 <u>\$ 4,443,091</u>

See independent auditors' report

STATE OF NEW MEXICO

Taos County
Financial Data Schedule
June 30, 2014

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	\$ 410,826	\$ 57,292	\$ -	\$ 468,118
113	Cash - Other Restricted	15,210	21,776	-	36,986
114	Cash - Tenant Security Deposits	51,005	-	-	51,005
100	Total Cash	477,041	79,068	-	556,109
121	Accounts Receivable - PHA projects	-	-	-	-
122-020	Accounts Receivable - HUD Other Projects - Capital Fund	57,705	-	-	57,705
126	Accounts Receivable - Tenants - Dwelling Rents	49,459	-	-	49,459
126.1	Allowance for Doubtful Accounts - Dwelling	(22,652)	-	-	(22,652)
120	Total Receivables, Net of Allowance for Doubtful Accounts	84,512	-	-	84,512
131	Investments - Unrestricted	-	-	-	-
130	Total Investments	-	-	-	-
142	Prepaid Expenses and Other Assets	16,828	1,436	-	18,264
150	Total Current Assets	578,381	80,504	-	658,885
161	Land	167,589	-	-	167,589
162	Buildings	11,370,181	-	-	11,370,181
163	Furniture, Equipment & Machinery - Dwellings	282,428	-	-	282,428
164	Furniture, Equipment & Machinery - Administration	285,945	-	-	285,945
166	Accumulated Depreciation	(7,149,115)	-	-	(7,149,115)
160	Total Capital Assets, Net of Accumulated Depreciation	4,957,028	-	-	4,957,028
180	Total Non-Current Assets	4,957,028	-	-	4,957,028
190	Total Assets	\$ 5,535,409	\$ 80,504	\$ -	\$ 5,615,913

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	\$ 48,993	\$ 13,709	\$ -	\$ 62,702
321	Accrued Wage/Payroll Taxes Payable	7,655	3,905	-	11,560
	Accrued Compensated Absences - Current				
322	Portion	12,852	5,303	-	18,155
341	Tenant Security Deposits	50,950	-	-	50,950
342	Deferred Revenues	5,969	-	-	5,969
345	Other Current Liabilities	15,265	10,675	-	25,940
348	Loan Liability - Current	1,678	-	-	1,678
310	Total Current Liabilities	143,362	33,592	-	176,954
354	Accrued Compensated Absences - Non-Current	-	-	-	-
350	Total Non-Current Liabilities	-	-	-	-
300	Total Liabilities	143,362	33,592	-	176,954
508.1	Net investment in capital assets	4,957,028	-	-	4,957,028
511	Restricted Net Position	-	11,101	-	11,101
512.1	Unrestricted Net Position	435,019	35,811	-	470,830
513	Total Equity/net positions	5,392,047	46,912	-	5,438,959
600	Total Liabilities and Equity/Net Positions	\$ 5,535,409	\$ 80,504	\$ -	\$ 5,615,913

STATE OF NEW MEXICO

Taos County
Financial Data Schedule
June 30, 2014

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	\$ 271,684	\$ -	\$ -	\$ 271,684
70400	Tenant Revenue - Other	3,151	-	-	3,151
70500	Total Tenant Revenue	274,835	-	-	274,835
70600	HUD PHA Operating Grants	539,596	1,910,826	-	2,450,422
70610	Capital Grants	25,650	-	-	25,650
71100	Investment Income - Unrestricted	173	-	-	173
71400	Fraud Recovery	-	-	-	-
71500	Other Revenue	-	21,464	-	21,464
72000	Investment Income - Restricted	-	101	-	101
70000	Total Revenue	840,254	1,932,391	-	2,772,645
91100	Administrative Salaries	103,274	110,630	-	213,904
91200	Auditing Fees	5,121	3,000	-	8,121
91310	Book-keeping Fee	48,304	22,542	-	70,846
	Employee Benefit Contributions -				
91500	Administrative	14,663	48,407	-	63,070
91600	Office Expenses	2,852	3,262	-	6,114
91800	Travel	16,808	1,857	-	18,665
91900	Other Operating - Administrative	17,055	20,974	-	38,029
91000	Total Operating - Administrative	208,077	210,672	-	418,749
92100	Tenant Services - Salaries	-	-	-	-
	Employee Benefit Contributions - Tenant				
92300	Services	-	-	-	-
92400	Tenant Services - Other	-	-	-	-
92500	Total Tenant Services	-	-	-	-
93100	Water	71,702	-	-	71,702
93200	Electricity	24,542	-	-	24,542
93300	Gas	86,039	-	-	86,039
93800	Other Utilities Expense	-	-	-	-
93000	Total Utilities	182,283	-	-	182,283
94100	Ordinary Maintenance & Operation - Labor	225,458	-	-	225,458
	Ordinary Maintenance & Operation - Materials				
94200	& Other	35,367	-	-	35,367
94300	Ordinary Maintenance & Operation Contracts	26,134	-	-	26,134
94000	Total Maintenance	286,959	-	-	286,959
96110	Property Insurance	36,940	9,056	-	45,996
96100	Total Insurance Premiums	36,940	9,056	-	45,996
96200	Other General Expenses	-	45,612	-	45,612
96400	Bad Debt - Tenant Rents	8,205	-	-	8,205
96000	Total Other General	8,205	45,612	-	53,817
96900	Total Operating Expenses	\$ 722,464	\$ 265,340	\$ -	\$ 987,804

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				
97000	Expenses	\$ 117,790	\$ 1,667,051	\$ -	\$ 1,784,841
97100	Extraordinary Maintenance	-	-	-	-
97300	Housing Assistance Payments	-	1,869,582	-	1,869,582
97350	HAP Portability-In	-	45,009	-	45,009
97400	Depreciation Expense	321,873	-	-	321,873
90000	Total Expenses	\$ 1,044,337	\$ 2,179,931	\$ -	\$ 3,224,268
10010	Operating Transfers In	-	-	-	-
10020	Operating Transfers Out	-	-	-	-
10100	Total Other Financing Sources (Uses)	-	-	-	-
10000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	(204,083)	(247,540)	-	(451,623)
11030	Beginning Equity	5,596,130	294,452	-	5,890,582
1040-070	Equity Transfers	-	-	-	-
11040	Prior period Adjustments, Equity Transfers and Correction of Errors	-	-	-	-
	Ending Equity (deficit)	\$ 5,392,047	\$ 46,912	\$ -	\$ 5,438,959
11190	Unit Months Available	2,016	5,364	-	7,380
11210	Number of Unit Months Leased	1,992	4,032	-	6,024
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 comparison of the general fund of Taos County (the "County") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual funds and related budgetary comparisons of the County presented as supplemental information, and have issued our report thereon dated November 10, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item FSHA 2012-001 (FSHA 12-01), that we consider to be a significant deficiency.

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 2013-003, FS 2013-006, FS 2013-008, FS 2014-001, FS 2014-002, and FSHA 2012-008 (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 10, 2014

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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, 2014. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items FAHA 2012-004 (FAHA 12-04), FAHA 2012-005 (FAHA 12-05), and FAHA 2012-006 (FAHA 12-06). Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items FAHA 2012-005 (FAHA 12-05) and FAHA 2012-006 (FAHA 12-06), that we consider to be significant deficiencies.

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 10, 2014

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

Federal Grantor/Passthrough Grantor/Program Title	Grant Number	Federal C.F.D.A. Number	Federal Expenditures
U.S. Housing & Urban Development (HUD)			
Public and Indian Housing	NM03800000109D	14.850	* \$ 651,493
Section 8 Housing Choice Vouchers	NA	14.871	* 2,168,867
Public Housing Choice Vouchers	NM02P038501-10	14.872	<u>23,545</u>
Total U.S. Housing & Urban Development (HUD)			<u><u>2,843,905</u></u>
U.S. Forest Service			
Federal Title III	NA	10.664	78,170
Wildland Fire Coordinator	13-521-0410-0053	10.664	<u>17,199</u>
Total U.S. Forest Service			<u><u>95,369</u></u>
U.S. Department of Environment			
FEMA/Latir VFD	FEMA-1659-PA	97.044	<u>14,339</u>
Total U.S. Department of Environment			<u><u>14,339</u></u>
Total Federal Financial Assistance			<u><u>\$ 2,953,613</u></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 for governmental funds and full accrual for enterprist funds, 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	\$ 2,953,613
Total expenditures funded by other sources	<u>40,167,986</u>
Total expenditures	<u><u>\$ 43,121,599</u></u>

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

SECTION I – SUMMARY OF AUDIT RESULTS*Financial Statements:*

- | | |
|--|------------|
| 1. Type of auditors' report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| 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? | No | | | | | | |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes | | | | | | |
| 2. Type of auditors' report issued on compliance for major programs | Unmodified | | | | | | |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes | | | | | | |
| 4. Identification of major programs: | | | | | | | |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; width: 50%; border-bottom: 1px solid black;">CFDA
Number</td> <td style="text-align: center; width: 50%; border-bottom: 1px solid black;">Federal Program</td> </tr> <tr> <td style="text-align: center;">14.850</td> <td style="text-align: center;">Public and Indian Housing</td> </tr> <tr> <td style="text-align: center;">14.871</td> <td style="text-align: center;">Section 8 Housing Choice Vouchers</td> </tr> </table> | CFDA
Number | Federal Program | 14.850 | Public and Indian Housing | 14.871 | Section 8 Housing Choice Vouchers | |
| 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 | | | | | | |

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

SECTION II – FINANCIAL STATEMENT FINDINGS

FS 2013-003 — Internal Controls — Lack of Segregation of Duties and Internal Controls (Disbursements Cycle) – (Other Matter) (Repeat/Modified)

Condition: During our procedures over the disbursements transaction cycles we noted the following:

- 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.

Criteria: Appropriate internal controls including monitoring in cash disbursements 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 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. Also, with out proper controls in place related to disbursements, late payments to vendors can occur.

Cause: There were oversights in the County's internal control processes related to disbursements to ensure vendors were paid on time. Also, during the first part of the year, proper internal controls were not properly monitored to ensure all required signatures were in place before the purchase.

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

Management's Response: The Finance Department has returned to the practice of processing vendor check runs on a weekly basis. Monthly account statement reconciliations are performed by accounts payable to identify and remediate late or unpaid invoices. If unpaid invoices are identified through the reconciliation, a copy of the statement will be provided to the department head that initiated the purchase to request a copy of the original invoice and to verify receipt of goods or services. If the goods or services have been received but the invoice is unavailable the department head will be asked to obtain a duplicate invoice to be submitted for immediate payment.

All Purchase orders require proper signatures as required by policy. Practice was corrected prior to FY 14.

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

SECTION II – FINANCIAL STATEMENT FINDINGS

FS 2013-006 — Indigent Fund — (Other Matter) (Repeat/Modified)

Condition: During indigent fund procedures, we noted the following deficiencies:

- 1 out of 15 patients tested, the patient did not provide utility bill to verify residency
- 3 out of 15 patients tested, the County paid at full price instead of the required Medicaid rates. The amounts paid for the 3 patients totaled \$3,659.10.

Criteria: Chapter 27 Article 5 NMSA 1978 requires compliance in relation to the Health Care Act.

Effect: Because there was an oversight by management for the deficiencies noted above, the residency for one patient tested could not be verified which could have led the County to pay for a non-resident of Taos County. Also, due to the oversight of management, Taos County over paid for patient services.

Cause: The turnover in management in prior year has led to an oversight by management during the implementation of proper internal controls and sound structure.

Auditors' Recommendation: The County should ensure that the comprehensive internal control structure that was designed, documented and implemented in 2014 to ensure compliance with the Indigent Hospital and County Health Care Act is followed at all times.

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.

STATE OF NEW MEXICO
Taos County
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SECTION II – FINANCIAL STATEMENT FINDINGS

FS 2013-008 — Internal Controls over Solid Waste Billing — (Other Matter) (Repeat/Modified)

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

- 3 out of 5 adjustments tested did not have the proper documentation or review to support the billing adjustment. The total amount of all adjustments was \$300.00.

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 during the first part of the fiscal year 2014.

Auditors' Recommendation: Management should ensure that the proper internal control processes in the Solid Waste Department that was implemented in the second part of the fiscal year be followed with all utility adjustments.

Management's Response: The Solid Waste Office Manager is no longer able to collect payments, adjustments must be witnessed and signed by both the Office Manager and the cashier that initiated the adjustment.

Adjustments are reviewed by a representative from the Finance Department to ensure all required documentation and signatures are present. This practice began in March 2014 with a review going back to July 1, 2013.

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SECTION II – FINANCIAL STATEMENT FINDINGS

FS 2014-001— Stale Dated Checks- (Other Matter)

Condition: The County is in violation of state statutes regarding stale-dated checks. The County maintained 19 checks in the County's bank reconciliations that were dated over one year old at June 30, 2014. These checks totaled \$7,073.43.

Criteria: Chapter 7 Article 8A, NMSA 1978, and related regulations require that the County provide information about the payees and the related funds to Unclaimed Property Division of the New Mexico Taxation and Revenue Department for outstanding checks that were distributed but not cashed within one year.

Effect: Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

Cause: The County did not implement an internal control procedure to account for stale dated outstanding checks and did not clear these checks on a timely basis.

Auditors' Recommendations: We recommend that the County implement a procedure to review the outstanding check listings for all bank accounts and track stale-dated checks. If checks on the outstanding check listings are greater than one year old we recommend these checks be voided. Also, we recommend that the County provide the information to the Property Division of the New Mexico Taxation and Revenue Department as required.

Management's Response: Accounts Payable will be required to perform monthly review of stale dated checks and request outstanding checks be voided.

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SECTION II – FINANCIAL STATEMENT FINDINGS**FS 2014-002 – Expenditures in Excess of Budget and Budgeted Cash in Excess of Available Balance – (Noncompliance)**

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

<u>Governmental Funds</u>	
USDA/Rus Complex	\$ 50,524
NMFA Debt Service	181,361
	<u>\$ 231,885</u>

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

Designated cash appropriations exceeded available balances in the following funds:

<u>Governmental Funds</u>	
Intergovernmental	\$ 42,236
NMFA Debt Service Fund	322,682
Educational Bond	7,066
2004 Educational Bond Series	192
2007 Refunding Series	26,103
USDA Loan Proceeds	36,352
	<u>\$ 434,631</u>

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

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

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

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

Management Response: Bond Funds utilizing an automatic intercept for the debt service payments can be difficult to budget for due to the unknown GRT revenue in the final month of the FY.

The Finance Department will monitor all budgets and prepare a DFA Resolution at year end to account for any excess revenues and expenditures using a reasonable estimate for the final month of the FY.

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SECTION II – FINANCIAL STATEMENT FINDINGS

FSHA 2012-001 (FSHA 12-01) — Deficiencies in Internal Control Structure Design, Operation, and Oversight — (Significant Deficiency) (Repeated/Modified)

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

- The bank reconciliations that are done at the Housing Authority were performed correctly, however, was not properly reported to the County in order for the County to properly post transactions and adjustments per the County's books. This led to voided and outstanding items errors, and caused the County's bank reconciliation to not tie to the Housing Authorities in the amount of \$1,471.
- During internal control procedures related to disbursements, we noted the following
 - 1 item out of 10 tested, an expired PO from FY 2013 was used in FY 2014. A Purchase Order was made on 3/27/2013 and expired 07/03/2013. However, the invoice for payment was not received by the County until 12/12/2013. This purchase was for the amount of \$91.00.
 - 1 item out of 10 tested, no supporting documentation was found in the file to support the purchase. This purchase was for the amount of \$3,566.66.

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

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: The Housing Authority did not timely communicate adjustments to the County for items related to voided checks and other cash adjustments.

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

Management's Response: Taos County has successfully transitioned all funding, operations, staff, assets and anything associated with the Housing Authority to the Northern Regional Housing Authority.

STATE OF NEW MEXICO
Taos County
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SECTION II – FINANCIAL STATEMENT FINDINGS

FSHA 2012-008 (FSHA 12-08) — Travel and Per Diem — (Other Matter) (Repeated/Modified)

Condition: During testwork we noted the following condition:

- In 1 out of 5 transactions tested, totaling \$204.00, the Housing Authority paid a travel advance in excess of the 80% allowed by state statute.
- In 2 out of 5 transactions tested, totaling \$1,468.29, the Housing Authority was lacking completed supporting logs and had not collected receipts to support the travel expenditures tested.

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: Without proper supporting documentation, it is not possible for the Housing Authority to determine that payments made were for Housing Authority business. Payments in excess of travel advances could result in overpayments to employees for travel that occurred. 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 retained and reviewed to ensure compliance with the Authority's policies which follow State Statutes. The Housing authority did not have policies in place to review calculations for travel advances.

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: Taos County has successfully transitioned all funding, operations, staff, assets and anything associated with the Housing Authority to the Northern Regional Housing Authority.

STATE OF NEW MEXICO
Taos County
Schedule of Findings and Questioned Costs
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SECTION III – FEDERAL AWARD FINDINGS

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

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: Taos County has successfully transitioned all funding, operations, staff, assets and anything associated with the Housing Authority to the Northern Regional Housing Authority.

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SECTION III – FEDERAL AWARD FINDINGS

FAHA 2012-005 (FAHA 12-05) — Lack of Proper Documentation in Tenant Files – Low Rent — (Significant Deficiency/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 2 out of 51 tenant files selected for testwork, current signed consent forms were not in the file.
- In 3 out of 51 tenant files selected for testwork, signed declarations of zero income were not included in the file.
- In 2 out of 51 tenant files selected for testwork, third part verification of income & expenses was not included in the file, however these missing documents did not change the rent calculation for the unit.
- In 4 out of 51 tenants selected for testwork, incorrect rent payments were charged to tenants due to incorrect preparation of forms HUD-50058. The net effect of these errors calculated by the auditor represented \$619 in undercharged rent.

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: \$619

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.

Agency's Response: Taos County has successfully transitioned all funding, operations, staff, assets and anything associated with the Housing Authority to the Northern Regional Housing Authority.

STATE OF NEW MEXICO
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SECTION III – FEDERAL AWARD FINDINGS

FAHA 2012-006 (FAHA 12-06) — Lack of Proper Documentation in Tenant Files – Section 8 — (Significant Deficiency/Noncompliance) (Repeated/Modified)

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, the tenant application was not in the file.
- In 1 out of 60 tenants selected for testwork, current signed consent forms were not in the file.
- In 1 out of 60 tenant files selected for testwork, third part verification of income was not included in the file, however these missing documents did not change the rent calculation for the unit.
- In 1 out of 60 tenant files selected for testwork, signed declarations of zero income were not included in the file.

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: 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 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: Taos County has successfully transitioned all funding, operations, staff, assets and anything associated with the Housing Authority to the Northern Regional Housing Authority.

STATE OF NEW MEXICO
Taos County
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SECTION IV – PRIOR YEAR FINDINGS- FINANCIAL STATEMENT

FS 2013-001 — Inventory — (Significant Deficiency) (Resolved)

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

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

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

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

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

FS 2013-007 — Annual Inventory — (Noncompliance) (Resolved)

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

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

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

HOUSING AUTHORITY FINANCIAL STATEMENT FINDINGS

FSHA 2012-001 (FSHA 12-01) — Deficiencies in Internal Control Structure Design, Operation, and Oversight — (Material Weakness/Material Noncompliance) (Repeat/Modified)

FSHA 2012-006 (FSHA 12-06) — Capital Assets Listing — (Material Weakness/Material Noncompliance) (Resolved)

FSHA 2012-007 (FSHA 12-07) — Preparation of Financial Statements — (Material Weakness) (Resolved)

FSHA 2012-008 (FSHA 12-08) — Travel and Per Diem — (Noncompliance) (Repeat/Modified)

FSHA 2012-012 (FSHA 12-10) — Security Deposits and FSS Escrow Not Matching the Restricted Cash Accounts — (Material Weakness) (Resolved)

SECTION IV – PRIOR YEAR FINDINGS- HOUSING AUTHORITY FEDERAL AWARD FINDINGS

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

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

FAHA 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) (Resolved)

FAHA 2012-004 (FAHA 12-04) — Reporting — Noncompliance (Repeat/Modified)

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

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

STATE OF NEW MEXICO

Taos County
Other Disclosures
June 30, 2014

OTHER DISCLOSURES

Exit Conference

An exit conference was held on November 14, 2014. In attendance were the following:

Representing Taos County:

Tom Blankenhorn
Daniel R. Barrone
Stephen P. Archuleta
Brent Jaramillo
Susan K. Trujillo
Leandro R. Cordova
Paula Santistevan
Mary Anne Gonzales

Commissioner - Chairman
Commissioner
County Manager
Deputy County Manager
County Treasurer
Finance Director
Senior Treasurer Account
Treasurer Accountant

Representing Accounting & Consulting Group, LLP:

Ray Roberts, CPA

Managing Partner

Auditor Prepared Financial Statements

Accounting and Consulting, Group, LLP prepared the GAAP-basis financial statements and footnotes of 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.