

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



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## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO  
CIBOLA COUNTY  
OFFICIAL ROSTER  
JUNE 30, 2013**

**ELECTED OFFICIALS**

Edward Michael	Commission Chairman
Antonio Gallegos	Commission Vice-Chairman
T. Walter Jaramillo	County Commissioner
Pat Simpson	County Commissioner
Lloyd Felipe	County Commissioner
Lisa Bro	County Clerk
Dolores Vallejos	County Treasurer
Pablo Savedra	County Assessor
Johnny Valdez	County Sheriff

**ADMINISTRATIVE OFFICIALS**

Scott Vinson	County Manager
Joseph Sanders	Financial Analyst
Rheganne Vaughn	Chief Operating Officer

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

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**Griego Professional Services, LLC**

Certified Public Accountants

## **INDEPENDENT AUDITOR'S REPORT**

Hector Balderas, New Mexico State Auditor and  
Cibola County Board of Commissioners,  
Grants, New Mexico

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the statement of assets and liabilities – fiduciary funds of the Cibola County, New Mexico (the County), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each for the County's nonmajor governmental funds, the budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

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## 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, the aggregate discretely component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2013, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental funds of the County as of June 30, 2013, and the respective changes in financial position, thereof and the respective budgetary comparisons for the major capital project fund, debt service fund, fiduciary 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*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the County's financial statements, and the combining and individual fund financial statements and budgetary comparisons. The other schedules required by 2.2.2 NMAC are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The other schedules required by 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other schedules required by 2.2.2 NMAC are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2013 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards in considering the County's internal control over financial reporting and compliance.

GRIEGO PROFESSIONAL SERVICES, LLC



Albuquerque, New Mexico  
December 31, 2013

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**BASIC  
FINANCIAL STATEMENTS**

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**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

Exhibit A-1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Cibola General Hospital Corporation
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,337,384	\$ -	\$ 7,337,384	\$ 10,124,684
Restricted cash and equivalents	5,495,534	1,005,399	6,500,933	-
Investments	38,460	-	38,460	-
Accounts receivable:				
Property taxes receivable	1,355,530	-	1,355,530	-
Other accounts receivable	12,119	-	12,119	24,235
Prison receivables	-	223,473	223,473	-
Patient receivables, net of allowance	-	-	-	5,458,870
Prepaid expenses	100,903	-	100,903	422,225
Inventory	-	-	-	223,920
Due from other funds	565,008	-	565,008	-
Noncurrent assets:				
Assets limited as to use	-	-	-	9,639,430
Capital assets (Note 6)	47,415,294	8,445,462	55,860,756	17,708,218
Less: accumulated depreciation	(27,937,362)	(2,909,249)	(30,846,611)	(6,502,111)
<i>Total assets</i>	<u>34,382,870</u>	<u>6,765,085</u>	<u>41,147,955</u>	<u>37,099,471</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 306,102	\$ 11,120	\$ 317,222	\$ 1,938,330
Accrued payroll liabilities	139,158	-	139,158	964,861
Due to other funds	-	565,008	565,008	-
Inmate trust accounts	-	22,735	22,735	-
Accrued interest payable	34,432	-	34,432	-
Noncurrent liabilities (Note 7):				
Due within one year	784,489	3,302	-	187,802
Due within more than one year	8,596,643	37,973	-	-
<i>Total liabilities</i>	<u>9,860,824</u>	<u>640,138</u>	<u>10,500,962</u>	<u>3,090,993</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue property taxes	<u>0</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>				
Investment in capital assets	10,348,981	5,494,938	15,843,919	-
Restricted for:				
Debt service	6,347,801	-	6,347,801	-
Capital projects	-	-	-	-
Special revenue funds	1,707,450	-	1,707,450	-
Unrestricted	<u>6,117,814</u>	<u>630,009</u>	<u>6,747,823</u>	<u>34,008,478</u>
<i>Total net position</i>	<u>\$ 24,522,046</u>	<u>\$ 6,124,947</u>	<u>\$ 30,646,993</u>	<u>\$ 34,008,478</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<i>Governmental activities:</i>				
General government	\$ 5,453,332	\$ 1,003,846	\$ 509,989	\$ -
Public safety	1,983,089	15,232	1,338,864	-
Culture and recreation	145,138	-	-	-
Health and welfare	3,548,472	-	2,769,169	-
Public works	2,152,179	-	772,193	244,102
Interest on long-term debt	428,232	-	-	-
<i>Total governmental activities</i>	13,710,442	1,019,078	5,390,215	244,102
<i>Business-type activities:</i>				
Detention center	3,590,339	1,842,954	-	-
<i>Total primary government</i>	\$ 17,300,781	\$ 2,862,032	\$ 5,390,215	\$ 244,102
<i>Component unit:</i>				
Cibola General Hospital Corporation	23,939,973	27,764,120	-	-

*General revenues:*

Taxes:

Property taxes, levied for general purposes

Gross receipts taxes

Other taxes

Interest income

Gain (loss) on disposal of equipment

Change in net unrealized gain on other than trading securities

Miscellaneous income

Transfers in (out)

*Total general revenues and transfers*

*Changes in net position*

*Net position - beginning of year*

Prior period adjustment (Note 17)

*Net position - beginning of year 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			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (3,939,497)	\$ -	\$ (3,939,497)	\$ -
(628,993)	-	(628,993)	-
(145,138)	-	(145,138)	-
(779,303)	-	(779,303)	-
(1,135,884)	-	(1,135,884)	-
(428,232)	-	(428,232)	-
<u>(7,057,047)</u>	<u>-</u>	<u>(7,057,047)</u>	<u>-</u>
-	(1,747,385)	(1,747,385)	-
<u>(7,057,047)</u>	<u>(1,747,385)</u>	<u>(8,804,432)</u>	<u>-</u>
-	-	-	3,824,147
2,932,104	-	2,932,104	1,234,057
3,609,464	436,732	4,046,196	-
671,354	-	671,354	-
15,753	-	15,753	79,085
-	-	-	(6,782)
-	-	-	(14,642)
1,858,176	62,633	1,920,809	187,076
<u>(1,732,791)</u>	<u>1,732,791</u>	<u>-</u>	<u>-</u>
<u>7,354,060</u>	<u>2,232,156</u>	<u>9,586,216</u>	<u>1,478,794</u>
<u>297,013</u>	<u>484,771</u>	<u>781,784</u>	<u>5,302,941</u>
24,441,327	5,640,176	30,081,503	28,705,537
<u>(216,294)</u>	<u>-</u>	<u>(216,294)</u>	<u>-</u>
<u>24,225,033</u>	<u>5,640,176</u>	<u>29,865,209</u>	<u>28,705,537</u>
<u>\$ 24,522,046</u>	<u>\$ 6,124,947</u>	<u>\$ 30,646,993</u>	<u>\$ 34,008,478</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

	Special Revenue Funds			
	General Fund	Indigent Fund	CDBG Planning Grant Fund	Grants Fund
<b>ASSETS</b>				
<i>Current assets:</i>				
Cash and cash equivalents	\$ 4,063,352	\$ 335,451	\$ 48,423	\$ 16,908
Investments	-	-	-	-
Accounts receivable:				
Property taxes	1,355,530	-	-	-
Intergovernmental	-	-	-	12,119
Other receivables	-	-	-	-
Interfund receivables	1,251,893	-	-	-
<i>Total assets</i>	<u>\$ 6,670,775</u>	<u>\$ 335,451</u>	<u>\$ 48,423</u>	<u>\$ 29,027</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<i>Current liabilities:</i>				
Accounts payable	\$ 124,383	\$ 11,363	\$ -	\$ 24,476
Accrued payroll liabilities	134,990	-	-	-
Interfund payables	-	-	412,393	205,948
<i>Total liabilities</i>	<u>259,373</u>	<u>11,363</u>	<u>412,393</u>	<u>230,424</u>
<i>Deferred inflows of resources:</i>				
Deferred revenue - property taxes	<u>1,240,489</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances:</i>				
Nonspendable	-	-	-	-
Restricted	-	324,088	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	5,170,913	-	(363,970)	(201,397)
<i>Total fund balances</i>	<u>5,170,913</u>	<u>324,088</u>	<u>(363,970)</u>	<u>(201,397)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 6,670,775</u>	<u>\$ 335,451</u>	<u>\$ 48,423</u>	<u>\$ 29,027</u>

The accompanying notes are an integral part of these financial statements

Debt Service Fund	Other Governmental Funds	Total
\$ 6,345,745	\$ 2,055,271	\$ 12,865,150
2,056	4	2,060
-	-	1,355,530
-	-	12,119
-	-	-
-	-	1,251,893
<u>\$ 6,347,801</u>	<u>\$ 2,055,275</u>	<u>\$ 15,486,752</u>
-	-	-
-	145,880	\$ 306,102
-	-	134,990
-	68,544	686,885
<u>-</u>	<u>214,424</u>	<u>1,127,977</u>
-	-	1,240,489
-	-	-
6,347,801	1,948,729	8,620,618
-	-	-
-	-	-
-	(107,878)	4,497,668
<u>6,347,801</u>	<u>1,840,851</u>	<u>13,118,286</u>
<u>\$ 6,347,801</u>	<u>\$ 2,055,275</u>	<u>\$ 15,486,752</u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO**  
**THE STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

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

Fund balances - total governmental funds	\$ 13,118,286
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	19,477,932
Prepaid expenses are expensed in the governmental fund financial statements but are not in the entity-wide financial statements	100,903
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the fund statements:	
Delinquent property taxes collected within sixty days after year-end are not considered revenue in the fund financial statements, but are considered revenue in the Statement of Activities	1,240,489
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements:	
Accrued interest	(34,432)
Accrued compensated absences	(252,181)
Bonds payable	(8,440,000)
Notes payable	(688,951)
	(9,395,564)
Net position - total governmental activities	\$ 24,522,046

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Exhibit B-2  
Page 1 of 3

	Special Revenue Funds			
	General Fund	Indigent Fund	CDBG Planning Grant Fund	Grants Fund
<i>Revenues:</i>				
Property taxes	\$ 1,684,015	\$ 1,292	\$ -	\$ -
Gross receipt taxes	1,694,821	166,341	-	-
Other taxes	89,208	-	-	-
Federal grants	240,220	-	50,000	-
State and local grants	237,107	2,760,720	-	872,322
Charges for services	747,860	-	-	35
Licenses and fees	168,219	-	-	12,168
Interest income	24,783	-	-	-
Miscellaneous	1,837,558	-	-	14,835
<i>Total revenues</i>	<u>6,723,791</u>	<u>2,928,353</u>	<u>50,000</u>	<u>899,360</u>
<i>Expenditures:</i>				
Current:				
General government	6,973,745	-	-	77,274
Public safety	-	-	-	879,434
Public works	-	-	(171,047)	-
Culture and recreation	-	-	-	1,000
Health and welfare	185,592	3,113,055	-	-
Capital outlay	-	-	427,203	123,576
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>7,159,337</u>	<u>3,113,055</u>	<u>256,156</u>	<u>1,081,284</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(435,546)</u>	<u>(184,702)</u>	<u>(206,156)</u>	<u>(181,924)</u>
<i>Other financing sources (uses):</i>				
Note proceeds	-	-	-	-
Transfers in (out)	(2,683,018)	-	-	370,386
<i>Total other financing sources (uses)</i>	<u>(2,683,018)</u>	<u>-</u>	<u>-</u>	<u>370,386</u>
<i>Net change in fund balances</i>	(3,118,564)	(184,702)	(206,156)	188,462
<i>Fund balances - beginning of year</i>	<u>8,289,477</u>	<u>508,790</u>	<u>(157,814)</u>	<u>(389,859)</u>
<i>Fund balances - end of year</i>	<u>\$ 5,170,913</u>	<u>\$ 324,088</u>	<u>\$ (363,970)</u>	<u>\$ (201,397)</u>

The accompanying notes are an integral part of these financial statements



Debt Service	Other Governmental Funds	Total
\$ 5,644	\$ 664	\$ 1,691,615
1,748,302	-	3,609,464
-	582,146	671,354
-	46,995	337,215
-	1,427,408	5,297,557
-	-	747,895
-	90,796	271,183
-	(9,030)	15,753
-	5,328	1,857,721
<u>1,753,946</u>	<u>2,144,307</u>	<u>14,499,757</u>
54,946	31,817	7,137,782
-	445,838	1,325,272
-	1,451,008	1,279,961
-	-	1,000
-	-	3,298,647
-	788,931	1,339,710
738,811	-	738,811
430,251	-	430,251
<u>1,224,008</u>	<u>2,717,594</u>	<u>15,551,434</u>
<u>529,938</u>	<u>(573,287)</u>	<u>(1,051,677)</u>
-	-	-
76,762	503,079	(1,732,791)
<u>76,762</u>	<u>503,079</u>	<u>(1,732,791)</u>
606,700	(70,208)	(2,784,468)
<u>5,741,101</u>	<u>1,911,059</u>	<u>15,902,754</u>
<u>\$ 6,347,801</u>	<u>\$ 1,840,851</u>	<u>\$ 13,118,286</u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**

Exhibit B-2  
Page 3 of 3

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES TO FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

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

Net change in fund balances - total governmental funds	\$ (2,784,468)
--	----------------

Decrease in prepaid items	39,763
---------------------------	--------

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	2,963,832
Depreciation expense	(1,855,968)

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

Increase in deferred property taxes	1,240,489
-------------------------------------	-----------

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 assets. 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:

Increase in the reserve for compensated absences	(47,465)
Increase in accrued interest payable	2,019
Principal payments on bonds	738,811
	738,811

Changes in net position - total governmental activities	\$ <u><u>297,013</u></u>
---	--------------------------

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit B-3

## CIBOLA COUNTY

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ 3,084,585	\$ 3,084,585	\$ 1,731,194	(1,353,391)
Gross receipt taxes	1,520,000	1,520,000	1,694,821	174,821
Other taxes	52,000	52,000	89,208	37,208
Federal grants	10,000	10,000	240,220	230,220
State and local grants	225,000	225,000	237,107	12,107
Charges for services	417,000	417,000	747,860	330,860
Licenses and fees	213,900	213,900	168,219	(45,681)
Interest income	35,000	35,000	24,783	(10,217)
Miscellaneous	1,616,500	1,616,500	1,837,558	221,058
<i>Total revenues</i>	<u>7,173,985</u>	<u>7,173,985</u>	<u>6,770,970</u>	<u>(403,015)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	4,651,870	4,651,870	7,208,418	(2,556,548)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	132,500	132,500	185,592	(53,092)
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,784,370</u>	<u>4,784,370</u>	<u>7,394,010</u>	<u>(2,609,640)</u>
<i>Excess of revenues over expenditures</i>	<u>2,389,615</u>	<u>2,389,615</u>	<u>(623,040)</u>	<u>(3,012,655)</u>
<i>Other financing sources (uses):</i>				
Designated cash	(67,688)	52,530	-	(52,530)
Transfers in (out)	(2,321,927)	(2,442,145)	(2,683,018)	(240,873)
<i>Total other financing uses</i>	<u>(2,389,615)</u>	<u>(2,389,615)</u>	<u>(2,683,018)</u>	<u>(293,403)</u>
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,306,058)</u>	<u>\$ (3,306,058)</u>
<i>Fund balances - beginning of year</i>			<u>7,357,269</u>	
<i>Fund balances - end of year</i>			<u>\$ 4,051,211</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>			\$ (3,306,058)	
Adjustments to revenues			(47,179)	
Adjustments to expenditures			234,673	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (3,118,564)</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**

Exhibit B-4

**INDIGENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ 1,292	1,292
Gross receipt taxes	381,245	381,245	435,764	54,519
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	2,915,081	2,915,081	2,760,720	(154,361)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,296,326</u>	<u>3,296,326</u>	<u>3,197,776</u>	<u>(98,550)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	2,102,374	2,102,374	3,144,722	(1,042,348)
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,102,374</u>	<u>2,102,374</u>	<u>3,144,722</u>	<u>(1,042,348)</u>
<i>Excess of revenues over expenditures</i>	<u>1,193,952</u>	<u>1,193,952</u>	<u>53,054</u>	<u>(1,140,898)</u>
<i>Other financing sources (uses):</i>				
Designated cash	(1,193,952)	(1,193,952)	-	1,193,952
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,193,952)</u>	<u>(1,193,952)</u>	<u>-</u>	<u>1,193,952</u>
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>53,054</u>	<u>\$ 53,054</u>
<i>Fund balances - beginning of year</i>			<u>282,397</u>	
<i>Fund balances - end of year</i>			<u>\$ 335,451</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>			\$ 53,054	
Adjustments to revenues			(269,423)	
Adjustments to expenditures			<u>31,667</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (184,702)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit B-5

## CIBOLA COUNTY

## CDBG PLANNING GRANT SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## BUDGET (NON-GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	-
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	400,000	400,000	500,000	-
State and local grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>400,000</u>	<u>400,000</u>	<u>500,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	50,000	50,000	451,577	(401,577)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	350,000	350,000	-	350,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>400,000</u>	<u>400,000</u>	<u>451,577</u>	<u>(51,577)</u>
<i>Deficiency of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>48,423</u>	<u>(51,577)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>48,423</u>	<u>\$ (51,577)</u>
<i>Fund balances - beginning of year</i>			<u>(412,393)</u>	
<i>Fund balances - end of year</i>			<u>\$ (363,970)</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>			\$ (363,970)	
Adjustments to revenues			(450,000)	
Adjustments to expenditures			<u>195,421</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>(206,156)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit B-6

## CIBOLA COUNTY

## GRANTS SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## BUDGET (NON-GAAP BASIS) AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	-
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	825,882	693,978	860,203	166,225
Charges for services	10,000	10,000	35	(9,965)
Licenses and fees	26,500	26,500	12,168	(14,332)
Interest income	-	-	-	-
Miscellaneous	-	-	14,835	14,835
<i>Total revenues</i>	<u>862,382</u>	<u>730,478</u>	<u>887,241</u>	<u>156,763</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	72,266	74,527	77,274	(2,747)
Public safety	823,597	874,950	905,335	(30,385)
Public works	-	-	-	-
Culture and recreation	-	-	1,215	(1,215)
Health and welfare	-	-	-	-
Capital outlay	214,500	219,167	193,061	26,106
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,110,363</u>	<u>1,168,644</u>	<u>1,176,885</u>	<u>(8,241)</u>
<i>Deficiency of revenues over expenditures</i>	<u>(247,981)</u>	<u>(438,166)</u>	<u>(289,644)</u>	<u>148,522</u>
<i>Other financing sources (uses):</i>				
Designated cash	(35,332)	106,679	-	(106,679)
Transfers in (out)	283,313	331,487	370,386	38,899
<i>Total other financing sources (uses)</i>	<u>247,981</u>	<u>438,166</u>	<u>370,386</u>	<u>(67,780)</u>
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>80,742</u>	<u>\$ 80,742</u>
<i>Fund balances - beginning of year</i>			<u>(269,782)</u>	
<i>Fund balances - end of year</i>			<u>\$ (189,040)</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>			\$ (189,040)	
Adjustments to revenues			12,119	
Adjustments to expenditures			<u>95,601</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>188,462</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2013**

Exhibit C-1

<b>ASSETS</b>	
<i>Current assets:</i>	
Cash and cash equivalents	\$ 982,664
Restricted cash	22,735
Receivables	223,473
Prepaid insurance	-
<i>Total current assets</i>	1,228,872
 <i>Noncurrent assets:</i>	
Capital assets	8,445,462
Less: accumulated depreciation	(2,909,249)
<i>Total noncurrent assets</i>	5,536,213
 <i>Total assets</i>	6,765,085
 <b>LIABILITIES</b>	
<i>Current liabilities:</i>	
Accounts payable	11,120
Accrued payroll liabilities	-
Inmate trust accounts	22,735
Due to other funds	565,008
Current portion of accrued compensated absences	3,302
<i>Total current liabilities</i>	602,165
 <i>Noncurrent liabilities:</i>	
Noncurrent portion of accrued compensated absences	37,973
<i>Total liabilities</i>	640,138
 <b>NET POSITION</b>	
Net investment in capital assets	5,536,213
Unrestricted	588,734
<i>Total net position</i>	\$ 6,124,947

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Exhibit C-2

## CIBOLA COUNTY

STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

	Detention Center Fund
	<u>Fund</u>
<i>Operating revenues:</i>	
Charges for services	\$ 1,842,954
Gross receipts taxes	436,732
Miscellaneous	62,633
<i>Total operating revenues</i>	<u>2,342,319</u>
 <i>Operating expenses:</i>	
Personnel services	2,003,248
Contractual services	974,195
Maintenance and materials	79,276
Other operating expenses	216,927
Capital outlay	3,553
Depreciation	313,140
<i>Total operating expenses</i>	<u>3,590,339</u>
 <i>Operating income (loss)</i>	 (1,248,020)
 <i>Non-operating revenues (expenses):</i>	
Interest income	<u>-</u>
 <i>Income (loss) before transfers</i>	 (1,248,020)
 <i>Operating transfers in (out)</i>	
Net transfers	<u>1,732,791</u>
 <i>Changes in net position</i>	 484,771
 <i>Net position - beginning of year</i>	 <u>5,640,176</u>
 <i>Net position - end of year</i>	 <u>\$ 6,124,947</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Exhibit C-3

	Detention Center Fund
<i>Cash flows from operating activities:</i>	
Cash received from customers	\$ 2,388,044
Cash paid to suppliers and employees	(3,220,164)
<i>Net cash used for operating activities</i>	(832,120)
 <i>Cash flows used for capital financing activities:</i>	
Purchase of capital assets	-
 <i>Cash flows provided by non-capital financing activities:</i>	
Operating transfers	1,732,791
<i>Net increase in cash and cash equivalents</i>	900,671
<i>Cash and cash equivalents - beginning of year</i>	104,728
<i>Cash and cash equivalents - end of year</i>	\$ 1,005,399
 Reconciliation of operating loss to net cash used for operating activities:	
Operating loss	\$ (1,248,020)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Depreciation	313,140
Decrease in accounts receivable	34,045
Decrease in prepaid insurance	171,955
Decrease in accounts payable	(91,691)
Increase in inmate trust account	11,680
Increase in accrued compensated absences	(23,229)
<i>Net cash used for operating activities</i>	\$ (832,120)

**Summary of Significant Noncash Activities:**

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

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

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2013**

Exhibit D-1

**ASSETS**

Cash	\$ 598,798
Taxes receivable	<u>2,487,179</u>
<i>Total assets</i>	<u><u>\$ 3,085,977</u></u>

**LIABILITIES**

Due to schools	\$ 1,674,724
Due to municipalities	447,326
Due to other	<u>963,927</u>
<i>Total liabilities</i>	<u><u>\$ 3,085,977</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies**

Cibola County (the “County”) is a political sub-division of the State of New Mexico established in 1981 under the provisions of Section 4-3A-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, planning and zoning, property assessment, tax collection and general administrative services.

The financial statements of Cibola County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the County’s accounting policies are described below.

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. In June 2001, the GASB approved Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*. Statement No. 37 clarifies and modifies Statement No. 34 and should be implemented simultaneously with Statement No. 34. Statement No. 38 modifies, establishes, and rescinds certain financial statement disclosure requirements. The County implemented the provisions of GASB No.’s 34, 37 and 38 effective July 1, 2002.

*A. Financial Reporting Entity*

GASB Statement No. 14, *The Financial Reporting Entity*, established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the County is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the County may, without the approval or consent of another government entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The County also has one *component unit*, as defined by GASB Statement No. 14 and/or GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The component unit which the County is financially accountable for is the Cibola General Hospital Corporation (a New Mexico not-for-profit corporation). The Hospital is built on County property and the County holds title to all assets and is presented as a Discrete Component Unit of the County.

The Hospital provides medical services to the residents of Grants, Cibola County, and the surrounding area. Complete financial statements for the component unit may be obtained at the entity’s administrative office: Cibola General Hospital, 1016 East Roosevelt Avenue, Grants, New Mexico 87020.

There are no other primary governments with which the County is financially accountable. There are no other primary governments with which the County has a significant relationship. There are no other component units for the year ended June 30, 2013.

*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.

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies (continued)**

*B. Government-wide and fund financial statements (continued)*

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and 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 imposed by the provider have been met.

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model: Assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position.

***Deferred outflows of resources*** – a consumption of net assets by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets.

***Deferred inflows of resources*** – an acquisition of net assets by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

***Net position*** – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The County’s net position is reported in three parts – net investment in capital assets, restricted, and unrestricted.

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. Ad valorem taxes (property taxes), 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

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. 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used Accounts for assets that the County holds for others in an agency capacity.

Governmental funds are used Accounts for the County's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets and the servicing of general long-term debt. Governmental funds include:

The *General Fund* is the primary operating fund of the County, and accounts for all financial resources, except those required to be accounted for in other funds.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB #34, the County is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which includes funds that were not required to be presented as major but were at the discretion of management:

The *Indigent Special Revenue Fund* accounts for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute (see Section 7-20E-9, NMSA 1978 Compilation).

The *Community Development Block Grant (CDBG) Special Revenue Fund* is used to account for federal and local funds that are used to complete major repairs and improvements for the County's CDBG Projects.

The *Grant Special Revenue Fund* is used to account for various federal, state and other grant funding sources received by the County. The grants are restricted to specific purposes as agreed to between the County and the funding source as enumerated in the grant agreement/contract.

The *Debt Service Fund* accounts for the services of general long-term debt of the County.

The County reports the following major proprietary funds:

Proprietary fund operating revenues, such as charges for services result from exchange transactions associated with the principal activities of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings result from non-exchange transactions or ancillary activities.

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

*The Detention Center Enterprise Fund* accounts for the activities of the County's prison facility.

Additionally, the government reports the following fund types:

The *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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

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, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

Program revenues included in the Statement of Activities derive 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 to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (b) program-specific operating grants, which includes revenues received from federal and state sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues 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 and other items not properly included among program revenues.

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.

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, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the County's enterprise fund is charges for customer services including solid waste fees. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*D. Assets, Liabilities and Net Position*

**Cash and Temporary 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 OF NEW MEXICO**  
**CIBOLA COUNTY**  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*D. Assets, Liabilities and Net Position (continued)*

Investments for the County are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's 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.

The County has an investment policy which provides for the following investments in accordance with State Statutes 6-10-10 and 6-10-10.1 NMSA 1978:

- A. U.S. Government Obligations. Securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States, the federal home loan mortgage association, the federal national mortgage association, the federal farm credit bank, the federal home loan bank or the student loan marketing association or are backed by the full faith and credit of the U.S. Government.
- B. Bonds or negotiable securities of the State of New Mexico or a county, municipality or school district that has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within the last preceding five years.
- C. Repurchase Agreements. Contracts for the present purchased and resale at a specified time in the future of specific prices at a price differential representing the interest income to be earned by the County. No such contract shall be invested in unless the contract is fully secured by having a market value of at least one hundred to percent (102%) of the amount of the contract.
- D. Bank, Savings and Loan Association or Credit Union Deposits are allowed in certified and designated financial institutions whose deposits are insured by an agency of the United States. A deposit in any credit union shall be limited to the amount insured by an agency of the United States.

**Receivables and Payables:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "internal balances".

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 when levied.

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 November 10<sup>th</sup> and April 10<sup>th</sup> are considered delinquent and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent. Collections and remittance of County property taxes are accounted for in the County Treasurer Agency Funds.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

**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.



**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

*D. Assets, Liabilities and Net Position (continued)*

**Capital Assets:** Capital assets, which include infrastructure, property, plant, and equipment, are reported in the applicable governmental column 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 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. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the County did not maintain internally developed software. Donated capital assets are recorded at estimated fair market value at the date of donation.

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 during the year ended June 30, 2013.

Capital assets of the primary government and component unit are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	30
Buildings & Improvements	15-40
Machinery, Equipment, & Software	5-10

Capital assets of the proprietary fund are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	30
Furniture & Equipment	5-10
Automobiles	5

**Deferred Revenues:** The County recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be “available” under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

**Compensated Absences:** County employees may accumulate limited amounts of vacation pay which are payable to the employee upon termination or retirement. For governmental funds, expenditures are recognized during the period in which vacation costs are recognized as a liability when earned. For proprietary funds, vacation costs are recognized as a liability when earned.

**Long-term Obligations:** In the government-wide fund financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are expensed in the year of issuance; only bond insurance purchased as issuance costs are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. Summary of Significant Accounting Policies (continued)**

*D. Assets, Liabilities and Net Position (continued)*

**Long-term Obligations (continued)**

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 another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**Fund Equity:** Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The detail of the County's fund balances is presented in Note 16.

**Equity Classifications:** In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. *Investment in Capital Assets* is equity that is equal to the value 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* is equity with constraints placed on the 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.
- c. *Unrestricted* is residual amount of equity that does not meet the definition of "restricted" or "investment in capital assets."

The County's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The Government-wide Statement of Net Position reports \$8,055,251 of restricted net position in which \$1,707,450 is attributed to grant restrictions and \$6,347,801 is restricted enabling legislation.

**Interfund Transactions:** Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**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 affecting the County's financial statements include management's estimate of the useful lives of capital assets. Another such estimate is the amount of gross receipts and other taxes collected by the State Taxation and Revenue Department (the Department) for the County. The Department does not track the total receivable or uncollectible amounts. As an alternative, the County estimated the net receivable based on the Department's historical delinquent payment information.

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**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 Board of County Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total at the fund level.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. Cibola General Hospital does not have a legally binding budget. In addition, due to the lack of activity, the San Rafael Water & Sanitation and the Cubero VFD Construction Funds do not have adopted budgets.

The County is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures. The County's legal level of control is at the expenditure function.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual presents 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 generally accepted accounting principles (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2013 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements prepared on the GAAP basis by fund can be found on each individual fund's budgetary statement.

**NOTE 3. Cash and Temporary Investments**

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

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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

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

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 3. Cash and Temporary Investments (continued)**

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

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. Additionally, until December 31, 2012, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

**Deposits**

The County utilizes pooled accounts for their funds, therefore, individual fund cash balances are held in multiple accounts. NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for a least one half of the amount on deposit with the institution.

	Wells <u>Fargo Bank</u>	Grants State <u>Bank</u>	US <u>Bank</u>	<u>Total</u>
Total amounts of deposits*	\$ 7,356,870	\$ 5,367,410	\$ 2,219,237	\$ 14,943,517
FDIC coverage	<u>(3,564,369)</u>	<u>(250,000)</u>	<u>(251,278)</u>	<u>(4,065,647)</u>
Total uninsured public funds**	<u>\$ 3,792,501</u>	<u>\$ 5,117,410</u>	<u>\$ 1,967,959</u>	<u>\$ 10,877,870</u>
<b>Collateral requirement</b>				
(50% of uninsured public funds)	\$ 1,896,251	\$ 2,558,705	\$ 983,980	\$ 5,438,936
Line of credit held by County**	(0)	(0)	(2,000,000)	(2,000,000)
Pledged collateral held by pledging bank's trust department or by agent in County's name**	<u>(2,142,048)</u>	<u>(7,326,257)</u>	<u>(0)</u>	<u>(9,468,305)</u>
Total under (over) collateralized	<u>\$ (245,797)</u>	<u>\$ (4,767,552)</u>	<u>\$ (1,016,020)</u>	<u>\$ (6,029,369)</u>

\* Total amount of deposits (per bank) includes deposit accounts and certificates of deposit.

\*\* Uninsured/unpledged funds      \$ 1,650,453      \$ (2,208,847)      \$ (32,041)      \$ (590,435)

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2013, \$1,650,453 of the County's bank balance of \$14,943,517 was exposed to custodial credit risk because it was not insured by FDIC or collateral held by the pledging bank's trust department in the County's name.

**Investments**

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity of Less than 1 Year</u>
NMFA Trust Accounts	\$ 38,460	\$ 38,460
State Treasurer's LGIP	<u>668</u>	<u>668</u>
Total	<u>\$ 39,128</u>	<u>\$ 39,128</u>

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 3. Cash and Temporary Investments (continued)**

**Investments (continued)**

The State Treasurer Local Government Investment Pool is not SEC Registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government with ratings A to AAA by Moody's Investors Service and S&P. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2013. The State of New Mexico is the regulatory oversight entity and participation in the pool is voluntary. The investment portfolio is posted on the State Treasurer's Office Website, [www.nmsto.gov](http://www.nmsto.gov), and available for review at any time.

New Mexico Finance Authority (NMFA) Trust Accounts are funds held by the Bank of Albuquerque in connection with loans that were obtained by the County through NMFA's lending program.

*Credit Risk* is the risk that a borrower will default on any type of debt by failing to make required payments. The State Treasurer's New MexiGROW Local Government Investment Pool (LGIP) is rated AAAM by Standard & Poor's.

*Interest rate risk* is the risk that interest rate variations may adversely affect an investment's fair value. The prices of securities fluctuate with market interest rates and the securities held in a portfolio will decline if market interest rates rise. The State Treasurer's Office utilizes a weighted average maturity (WAM) for reporting interest rate risk. WAM is a key determinant of the tolerance of a fund's investments to rising interest rates. At June 30, 2013, the County's investment in the State Treasurer's LGIP had a WAM(R) of 59 days and the WAM(F) is 90 days.

*Concentration of credit risk* is defined as investments of more than 5% in any one issuer. The County places no limit on the amount it may invest in any one issuer. The highest concentration is with the NMFA Bank Trust Accounts which comprise almost 100% of the County's investments.

**NOTE 4. Receivables**

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

	General Fund	Grants Fund	Total Governmental Activities	Proprietary Funds	Total Primary Government
Property Taxes	\$ 1,355,530	\$ 0	\$ 1,355,530	\$ 0	\$ 1,355,530
Intergovernmental	0	12,119	12,119	0	12,119
Service Charges	0	0	0	223,473	223,473
Total Receivables	<u>\$ 1,355,530</u>	<u>\$ 12,119</u>	<u>\$ 1,367,649</u>	<u>\$ 223,473</u>	<u>\$ 1,591,122</u>

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*, property tax receivables are presented net of deferred revenues in the governmental balance sheet. Deferred revenue – property taxes totaled \$1,240,489 as presented in the general fund.

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 5. Interfund Receivables, Payables, and Transfers**

Receivables and payables from interfund transactions as of June 30, 2013 are listed below. The majority of interfund balances were affected or created due to cash overdrafts and a few other balances are either carried forward from the prior year or were created when expenditures were inadvertently recorded in the incorrect fund and later adjusted to the correct fund.

Major Funds	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>
General Fund	\$ 0	\$ 1,251,893
Grants Special Revenue Fund	205,948	0
CDBG Planning Grant Special Revenue Fund	412,393	0
Detention Center Enterprise Fund	<u>565,008</u>	<u>0</u>
Total Major Funds	1,183,349	1,251,893
 Total Nonmajor Governmental Funds	 <u>68,544</u>	 <u>0</u>
 Total Primary Government	 <u>\$ 1,251,893</u>	 <u>\$ 1,251,893</u>

Net operating transfers made to close out funds, to supplement other funding sources, and to repay previous transfers were as follows:

Transfers from the General Fund to:		
Grants Special Revenue Fund	\$ 370,386	Major Governmental
Detention Center Enterprise Fund	1,732,791	Major Business-Type
Road Fund Special Revenue Fund	567,170	Nonmajor Governmental
Farm and Range Fund Special Revenue Fund	12,551	Nonmajor Governmental
Recreation Special Revenue Fund	<u>120</u>	Nonmajor Governmental
Total transfers from the General Fund	<u>2,683,018</u>	
Transfers from County Fire Protection Special Revenue Fund to:		
Volunteer Fire Departments (VFD) Special Revenue Fund	93,238	Nonmajor Governmental
Emergency Medical Services (EMS) Special Revenue Fund	26,316	Nonmajor Governmental
Debt Service Fund	<u>76,762</u>	Major Governmental
Total transfers from the County Fire Protection Special Revenue Fund	<u>196,316</u>	
 Total Transfers	 <u>\$ 2,879,334</u>	

Upon conversion from the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities, interfund governmental activity is eliminated and results in a remaining transfer of \$1,732,791 from the General Fund (Governmental Activity) to the Detention Center (Business-type Activity).

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2013, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land, Land-Infrastructure, and Construction in Progress are not subject to depreciation.

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
<b>Governmental Activities</b>				
<i>Capital assets not depreciated</i>				
Land	\$ 100,960	\$ 0	\$ 0	\$ 100,960
Land-Infrastructure	2,754,454	427,203	0	3,181,657
Construction in Progress	<u>668,405</u>	<u>76,457</u>	<u>0</u>	<u>76,457</u>
Total not being depreciated	<u>3,523,819</u>	<u>503,660</u>	<u>0</u>	<u>4,027,479</u>
<i>Capital assets being depreciated</i>				
Buildings and Improvements	7,154,038	1,589,301	0	8,743,339
Furniture and Equipment	5,201,105	89,211	0	5,434,120
Vehicles	3,270,520	781,660	0	4,052,180
Infrastructure	13,728,176		0	13,728,176
County Hospital	<u>11,430,000</u>	<u></u>	<u>0</u>	<u>11,430,000</u>
Total being depreciated	<u>40,927,643</u>	<u>2,460,172</u>	<u>0</u>	<u>43,387,815</u>
Total capital assets	<u>44,451,462</u>	<u>2,963,832</u>	<u>0</u>	<u>47,415,294</u>
<i>Less: accumulated depreciation</i>				
Buildings and Improvements	(2,701,104)	(337,799)	0	(3,038,903)
Furniture and Equipment	(3,823,015)	(306,373)	0	(4,129,388)
Vehicles	(1,883,289)	(350,215)	0	(2,233,504)
Infrastructure	(12,884,820)	(477,248)	0	(13,362,068)
County Hospital	<u>(4,789,166)</u>	<u>(384,333)</u>	<u>0</u>	<u>(5,173,499)</u>
Total accumulated depreciation	<u>(26,081,394)</u>	<u>(1,855,967)</u>	<u>0</u>	<u>(27,937,361)</u>
<i>Net capital assets</i>	<u>\$ 18,370,068</u>	<u>\$ (1,107,865)</u>	<u>\$ 0</u>	<u>\$ 19,477,933</u>

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

General Government	\$ 277,583
Public Safety	453,558
Health and Welfare	435,417
Public Works	544,271
Culture and Recreation	<u>145,138</u>
Total	<u>\$ 1,855,967</u>

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 6. Capital Assets (continued)**

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
<b>Business-type Activities</b>				
<i>Capital assets not depreciated</i>				
Land and Easements	\$ 124,966	\$ 0	\$ 0	\$ 124,966
<i>Capital assets being depreciated</i>				
Buildings and Improvements	7,723,371	0	0	7,723,371
Furniture and Equipment	414,076	0	0	414,076
Vehicles	183,049	0	0	183,049
Total being depreciated	<u>8,320,496</u>	<u>0</u>	<u>0</u>	<u>8,320,496</u>
Total capital assets	<u>8,445,462</u>	<u>0</u>	<u>0</u>	<u>8,445,462</u>
<i>Less: accumulated depreciation</i>				
Buildings and Improvements	(2,413,329)	(288,471)	0	(2,701,800)
Furniture and Equipment	(129,387)	(15,466)	0	(144,853)
Vehicles	(53,393)	(9,203)	0	(62,596)
Total accumulated depreciation	<u>(2,596,109)</u>	<u>(313,140)</u>	<u>0</u>	<u>(2,909,249)</u>
<i>Net capital assets</i>	<u>\$ 5,849,353</u>	<u>\$ (313,140)</u>	<u>\$ 0</u>	<u>\$ 5,536,213</u>

Depreciation expense charged to business-type activities for the year ended June 30, 2013 was \$313,140.

**NOTE 7. Long-term Debt**

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

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013	Current Maturities
<b>Governmental Activities</b>					
Bonds Payable	\$ 9,120,000	\$ 0	\$ 680,000	\$ 8,440,000	\$ 705,000
Notes Payable	747,762	0	58,811	688,951	59,315
Subtotal	9,867,762	0	738,811	9,128,951	764,315
Compensated Absences	204,716	242,647	195,182	252,181	20,174
Total Long-Term Debt	<u>\$ 10,072,478</u>	<u>\$ 242,647</u>	<u>\$ 933,993</u>	<u>\$ 9,381,132</u>	<u>\$ 784,489</u>

The annual requirements to amortize the bond and notes payable as of June 30, 2013, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest and Admin Fees	Total Debt Service
2014	\$ 764,315	\$ 399,953	\$ 1,164,268
2015	782,525	369,396	1,151,921
2016	814,311	358,932	1,173,243
2017	850,761	304,161	1,154,922
2018	303,248	268,708	571,956
2019-2023	1,703,942	1,150,027	2,853,969
2024-2028	2,064,849	728,753	2,793,602
2029-2032	1,845,000	224,200	2,069,200
Total	<u>\$ 9,128,951</u>	<u>\$ 3,804,129</u>	<u>\$ 12,933,080</u>



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**NOTE 7. Long-term Debt (continued)**

Interest expense paid on long-term debt totaled \$430,275 on the Statement of Activities for the year ended June 30, 2013.

**Bonds Payable** – At June 30, 2013, the County had the following bonds outstanding:

**2006A and 2006B GRT Refund Revenue Bonds**

The County has pledged future gross receipts tax revenues, net of specified operating expenses, to repay \$12,745,000 in gross receipts tax revenue bonds issued in August 2006. Proceeds from the bonds provided financing for the acquisition of equipment. The bonds are payable solely from gross receipts tax revenues and are payable through 2032. The total principal remaining to be paid on the bonds is \$8,440,000. Principal and interest paid for the current year were \$680,000 and \$412,300 respectively.

**Notes Payable** – The County maintains multiple loans through NMFA. These loans are for multiple purposes including police units, fire department equipment, and solid waste improvements. Loan payments are payable from the fund associated with the loan (fire, general, etc).

Loan principal and interest payments (and intercept payments) are made on an annual basis to the NMFA as is required per the loan’s debt schedules. Interest rates on the loans vary from 0% to 3.75% and loan payments are scheduled through 2027.

At June 30, 2013, the County had the following notes outstanding:

**NMF A Loan - Volunteer Fire Departments**

The County has pledged future fire allotment revenues, net of specified operating expenses, to repay \$1,175,549 in loans issued November 2002 through June 2010. Proceeds from the loans provided financing for the purchase of equipment. The loans are payable solely from fire allotment revenues and are payable through May 2027. The total principal and interest remaining to be paid on the loans is \$688,951. Principal and interest (including administrative fees) paid for the current year were \$58,811 and \$17,975, respectively.

**Compensated Absences** – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2013, the accrual for compensated absences increased \$47,465 over the prior year. For further details and information, please see Note 1 (D).

	Balance			Balance		
<b>Business-Type Activities</b>	<u>June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2013</u>	<u>Due Within One Year</u>	
Compensated Absences	\$ 64,504	\$ 9,061	\$ 32,290	\$ 41,275	\$ 3,302	

**Compensated Absences** – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2013, the accrual for compensated absences decreased \$23,229 over the prior year. For further details and information, please see Note 1 (D).

**NOTE 8. Deferred Revenue**

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to subsequent years, unless such excess revenues are requested to be returned to the grantor. As of June 30, 2013, Cibola County had no deferred revenues related to Special Revenue Funds.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the fiscal year, deferred revenue reported in the governmental funds was attributed to property tax revenues and totaled \$1,240,489.

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**NOTE 9. Risk Management**

Cibola County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters; and law enforcement liabilities. The County joined with other governments to form a Workers' Compensation Pool in July 1987 and a Multiline Pool in January 1989. These public entity risk pools operate as a common risk management and insurance program for workers' compensation and property and casualty coverage. The County pays an annual premium to the pools for general insurance coverage.

The pools are authorized by joint powers agreements entered into by each county as a separate and independent governmental and legal entity pursuant to the provisions of NMSA 1978 Sections 11-1-1 et. seq. The agreements for formation of the Workers' Compensation Pool and Multi-line Pool provide that the pools be self-sustaining through member premiums and reinsurance through commercial companies for claims in excess of \$300,000 and \$250,000, respectively, for each insured event. Both pools are funded entirely by member contributions, and are administered by the New Mexico County Insurance Authority.

The Workers' Compensation Pool provides workers' compensation coverage for all Cibola County employees, including temporary and part-time workers. There are 31 counties in this pool. The premium that each county pays depends upon the payroll total and the loss experience specific to that county. For fiscal year ended 2013, Cibola County contributed \$133,304 to the Workers' Compensation Pool. The self-insured retention level for the pool during the period of coverage July 1, 2012 through June 30, 2013, was \$300,000 (that is, the maximum amount of coverage for each insured event before obtaining reinsurance). The pool has reinsurance coverage for losses above that amount from County Reinsurance Limited, to a statutory limit of \$2,000,000.

The multi-line pool provides property and casualty coverage for 29 counties. The coverage includes buildings and contents, automobile physical damage, general liability, personal injury (including civil rights), host and liquor liability, automotive liability, public officials' errors and omissions, money and securities, commercial blanket bond (employee fidelity) and depositor's forgery. Cibola County paid premiums of \$165,054 for the calendar year ended December 31, 2013. Cibola County paid premiums to the Law Enforcement Liability pool of \$362,536 for the year ended December 31, 2013.

The self-insured retention level for this pool during the period of coverage January 1, 2013 through December 31, 2013 is \$150,000 for property and \$500,000 for liability per occurrence (that is the maximum amount of coverage for each insured event before obtaining reinsurance).

The pool has reinsurance coverage for losses above that amount from County Reinsurance Limited, to a statutory limit of \$2,000,000.

The pooling agreements require the pools to be self-sustaining; it is not possible to estimate the range of contingent losses to be borne by the County. The pool boards retain \$2,500,000 equity prior to evaluating any refunds to the participating counties based upon losses expensed and losses incurred.

The pools retain the risk of loss to be shared proportionately by pool participants.

The County does not retain the sole risk of losses incurred by the County. There were no payments in excess of insurance coverage for the years ended June 30, 2013, 2012 and 2011.

The New Mexico County Insurance Authority has published its own financial reports for the fiscal year ended June 30, 2013, which can be obtained from the New Mexico Association of Counties, 613 Old Santa Fe Trail, Santa Fe, New Mexico, 87501.

The County continues to carry commercial insurance for all other risks of loss, including law enforcement liability, emergency medical, foreign jurisdiction and excess liability, boiler and machinery, and sheriff reserve and rescue personnel. There were no payments in excess of insurance coverage for the years ended June 30, 2013, 2012 and 2011.

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**NOTE 10. Other Required Individual Fund Disclosures**

Generally accepted accounting principles require disclosures as part of the Combined Statements - Overview of certain information concerning individual funds including:

- A. *Deficit fund balance of individual funds:* The following funds reflected a deficit fund balance as of June 30, 2013:

**Governmental Funds:**

Major Funds

CDBG Planning Grant Special Revenue Fund	\$ 363,970
Grants Special Revenue Fund	201,397
Total Major Funds	<u>565,367</u>

Nonmajor Funds

Cubero VFD Construction Capital Project Fund	134
Computer Equipment and Software Capital Project Fund	409
Computer Equipment and Software Debt Capital Project Fund	19,349
Capital Outlay Transfers Capital Project Fund	<u>87,986</u>
Total Nonmajor Funds	<u>107,878</u>

Total Primary Government \$ 673,245

These deficits are expected to be funded by additional grants and charges for services in the subsequent fiscal year.

- B. *Designated cash appropriation in excess of available balances:* The following funds had designated cash in appropriations in excess of available balances for the year ended June 30, 2013:

	<u>Designated Cash</u>	<u>Available Cash</u>	<u>Excess of Designated Cash over Available Cash</u>
Nonmajor Governmental Funds			
EMS Special Revenue Fund	\$ 76,036	\$ 67,326	\$ 12,645
Road Special Revenue Fund	551,326	178,379	372,947
Farm and Range Special Revenue Fund	<u>10,500</u>	<u>0</u>	<u>10,500</u>
Total Primary Government	<u>\$ 637,862</u>	<u>\$ 245,705</u>	<u>\$ 396,092</u>

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**NOTE 10. Other Required Individual Fund Disclosures (continued)**

C. *Excess expenditures over appropriations:* Budgetary authority is at the function level. The following funds exceeded appropriations for the year ended June 30, 2013:

**Governmental Funds:**

Major Funds:

General Fund – General Government	\$ 2,556,548
General Fund – Health and Welfare	53,092
Indigent Special Revenue Fund – Health and Welfare	1,042,348
CDBG Planning Grant Special Revenue Fund – Public Works	401,577
Grants Special Revenue Fund – General Government	2,747
Grants Special Revenue Fund – Public Safety	30,385
Grants Special Revenue Fund – Public Works	1,215
Debt Service Fund – Principal	58,811
Debt Service Fund – Interest	<u>17,951</u>
Subtotal, Major Funds	<u>4,164,674</u>

Nonmajor Funds:

Recreation Special Revenue Fund – Culture and Recreation	120
Fire Protection Special Revenue Fund – Transfers	156,316
Computer Equipment and Software Capital Projects Fund – Capital Outlay	36,112
Computer and Software Debt Capital Projects Fund – General Government	26,884
Capital Outlay Transfers Capital Projects Fund – Public Works	114,708
Capital Outlay Transfers Capital Projects Fund – Capital Outlay	<u>4,216</u>
Subtotal, Nonmajor Funds	<u>338,356</u>

Total Primary Government	<u>\$ 4,503,030</u>
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**NOTE 11. Pension Plan – Public Employees Retirement Association (PERA)**

*Plan Description.* Substantially all of the Cibola 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 Employee 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, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA’s website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

*Funding Policy.* Plan members are required to contribute 9.15% (regular) and 16.30% (law enforcement) of their gross salary. The County is required to contribute 9.15% (regular) and 18.50% (law enforcement) of the gross covered salary. The contribution requirements of plan members and Cibola County are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The County’s contributions to PERA for the fiscal years ending June 30, 2013, 2012, and 2011 were \$452,292, \$398,173, \$427,474, respectively, which equals the amount of the required contributions for each fiscal year.

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**NOTE 12. Post Employment Benefits—State Retiree Health Care Plan**

*Plan Description.* Cibola 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](http://www.nmrhca.state.nm.us).

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

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

The County's contributions to the RHCA for the years ended June 30, 2013, 2012, and 2011 were \$85,467, \$69,896, \$67,937, respectively, which equals the required contributions for each year.

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**NOTE 13. Contingent Liabilities**

The County is party to various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico County Insurance Authority. In the opinion of management, the outcome of these matters will not have a material effect on the financial position of the County.

**NOTE 14. 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. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

**NOTE 15. Subsequent Accounting Standard Pronouncements**

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is effective for financial statement for periods beginning after December 15, 2011. The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. While these elements were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*, as a consumption and acquisition of net position by the government that is applicable to a future reporting period, respectively, these elements have not been included in previous reporting guidance.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is effective for financial statement for periods beginning after December 15, 2012. The Commission has decided to implement this Statement early. The objective of this Statement is to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These determinations are based on the definitions of those elements in Concepts Statement No. 4, *Elements of Financial Statements*.

**NOTE 16. Governmental Fund Balances**

**Fund Balances:** In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balances are classified and displayed in five components:

*Nonspendable:* Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted:* Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed:* Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

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**NOTE 16. Governmental Fund Balances (continued)**

*Assigned:* Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned:* Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Detail relating to the fund balance classifications is displayed below:

	Special Revenue Funds					Total Major Funds
	General Fund	Indigent Fund	CDBG Planning Grant Fund	Grants Fund	Debt Service Fund	
<b>Governmental Funds</b>						
Fund Balances:						
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for:						
Debt service	-	-	-	-	6,347,801	6,347,801
Capital projects	-	-	-	-	-	-
Care of indigents	-	508,790	508,790	-	-	1,017,580
VFD	-	-	-	-	-	-
EMS	-	-	-	-	-	-
Law enforcement						
County clerk						
Property reappraisal						
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	5,170,913	(184,702)	(872,760)	(201,397)	-	3,912,054
<b>Total fund balances</b>	<b>\$ 5,170,913</b>	<b>\$ 324,088</b>	<b>\$ (363,970)</b>	<b>\$ (201,397)</b>	<b>\$ 6,347,801</b>	<b>\$ 11,277,435</b>
	Nonmajor Governmental Funds	Total Primary Government				
<b>Governmental Funds</b>						
Fund Balances:						
Nonspendable	\$ -	\$ -				
Restricted for:						
Debt service	-	6,347,801				
Capital projects	415,547	415,547				
Care of indigents	-	1,017,580				
VFD	1,170,025	1,170,025				
EMS	41,895	41,895				
Law enforcement	32,177	32,177				
County clerk	115,110	115,110				
Property reappraisal	173,975	173,975				
Committed	-	-				
Assigned	-	-				
Unassigned	(107,878)	3,804,176				
<b>Total fund balances</b>	<b>\$ 1,840,851</b>	<b>\$ 13,118,286</b>				

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**NOTE 17. Prior Period Adjustment**

A prior period adjustment in the amount of \$216,294 was made to the Statement of Activities to implement GASB Statement No. 63 (see Note 15), a change in accounting principle. In prior years, costs associated with the issuance of debt were amortized over the life of the bonds. However, GASB No. 63 changed the way these costs were reported. Under this new standard, these types of costs will be expensed in the year the debt is issued. In order to implement this standard, the County had to remove unamortized bond issue costs, net, in the amount of \$216,294 (costs of \$287,371 and accumulated amortization of \$71,077), which pertain to long-term debt issued in prior years.

**NOTE 18. Joint Powers Agreements**

The County is partnered with many agencies in several joint powers agreements. The details of each of these agreements can be found at Schedule VI on pages 81 -82 of this report.

**NOTE 19. Cibola General Hospital - Component Unit**

Purpose of the Organization

Cibola General Hospital Corporation (the Hospital) is a New Mexico not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Hospital is located in Grants, New Mexico. The primary interest of the Hospital is to provide medical services to the residents of Grants, Cibola County and the surrounding area.

The Hospital meets the criteria set forth in accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB) for inclusion as a component unit of Cibola County (the County) based on the financial accountability criteria as it relates to the following items: 1) while the agreement between the Hospital and the County does not directly address financial accountability, the County owns, and is obligated for the related debt, with respect to the building which the Hospital is entitled to use, for a quarterly fee and other consideration under the terms of the agreement, and 2) the County assesses and remits to the Hospital a 4.25 mil property tax levy which was approved by the voters of the County for the sole purpose of supporting the Hospital's operations.

This summary of significant accounting policies of the Hospital is presented to assist in the understanding of the Hospital's financial statements. The financial statements and notes are the representations of the Hospital's management who is responsible for their integrity and objectivity. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to not-for-profit healthcare entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The more significant of the Hospital's accounting policies are described below.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual method of accounting. Under the accrual method of accounting, revenues are recognized when earned rather than when received, and expenses are recognized when the related liability is incurred rather than when paid.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, Cibola General Hospital Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets; and permanently restricted net assets.



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**NOTE 19. Cibola General Hospital - Component Unit (continued)**

Cash and Cash Equivalents

Cash and cash equivalents consist of checking accounts and a money market savings account maintained with local financial institutions, as well as cash on hand. Amounts whose use is limited by Board of Trustees designation or other arrangements under trust agreements are excluded from cash and cash equivalents.

Patient Accounts Receivable

Patient accounts receivable represent the amount billed but uncollected for services provided to patients. Such receivables are carried at the billed amount less estimates for contractual discounts and allowances, as well as for doubtful accounts. Management determines the allowance for doubtful accounts by examining aging categories by payor and by using historical experience applied to the aging. Individual accounts receivable are written off when deemed uncollectible. Recoveries of patient accounts receivable previously written off are recorded when received. Delinquent status is based on how recently payments have been received. The Hospital does not accrue interest on past-due accounts. As of June 30, 2013, the Hospital had approximately \$3,117,917 in patient accounts receivable past 90 days or older.

Inventories

Inventories, consisting primarily of pharmaceuticals and medical supplies, are stated at the lower of cost or market (first-in, first-out) basis.

Property and Equipment

Acquisitions of property and equipment are recorded at cost when the useful life exceeds one year and cost exceeds \$5,000. Depreciation is provided over the estimated useful life of the asset and is computed using the straight-line method over the following useful lives:

Equipment	3 to 20 years
Buildings and land improvements	10 to 40 years

Equipment under capital lease obligations is amortized using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation and amortization in the accompanying statements of activities.

Gifts of long-lived operating assets such as land, buildings or equipment are reported as unrestricted support and are excluded from excess of revenues, gains and other support over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Upon dissolution of the agreement between Cibola General Hospital, Inc., and Cibola County for any reason, all physical and tangible items of the Hospital will revert to Cibola County.

Assets Whose Use is Limited

Assets limited as to use consist primarily of internally designated assets set aside by the Board of Trustees of the Hospital to purchase property and equipment as well as to offset the effects of adverse trends in reimbursement, including increased managed care penetration within the Hospital's service area. The Board of Trustees retains control over the internally designated assets and may, at its discretion, use the assets for other purposes.

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**NOTE 19. Cibola General Hospital - Component Unit (continued)**

Deferred Revenue

The Hospital recognizes grant and contract revenues in the accounting period when the related expenditure is incurred and the revenue is earned. Deferred revenue represents cash advances to the Hospital that have not been earned.

Temporarily Restricted Net Assets

Temporarily restricted net assets are amounts whose use has been specified by donors for a specific time period or purpose. Such amounts are restricted for the purchase of property and equipment.

Operating Revenues

Operating revenues are all revenues derived from the Hospital's core business operations.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and for other services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Excess of Revenues over Expenses

The accompanying statements of activities include excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, consistent with industry practice, include unrealized gains and losses on investments other than trading securities, transfers of assets to and from affiliates for other than goods and services, and contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purpose of acquiring such assets).

Donor Restricted Gifts

Unconditional promises to give cash and other assets to the Hospital are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Gifts received with donor stipulations that limit the use of the donated assets are reported as either temporarily or permanently restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished by the Hospital, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Charity Care

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at any amount less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, such amounts are not reported as revenue. In addition, the Hospital provides services to other medically indigent patients under various state and local government programs. Such programs pay amounts that are less than the cost of the services provided to the recipients.

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 19. Cibola General Hospital - Component Unit (continued)**

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental and accident benefits. The Hospital has obtained commercial insurance coverage to protect itself against such losses.

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Hospital to concentrations of credit and market risk consist primarily of cash and cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions and credit exposure is limited at any one institution. The Hospital has not experienced any losses on its cash equivalents. The Hospital's investments do not represent significant concentrations of market risk since the Hospital's investment portfolio is adequately diversified among issuers.

Use of 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.

Income Taxes

The Hospital is a non-profit corporation and qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and is classified as other than a private foundation. As such, its normal activities do not result in any income tax liability.

In 2006, FASB issued authoritative guidance relating to the accounting for the uncertainty in income taxes, which was effective for the Hospital for the year ended June 30, 2010. The guidance clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with GAAP. The guidance also requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Hospital's information returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. In addition, guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition was also provided. As of June 30, 2010, the Hospital performed a comprehensive review of its material tax positions in accordance with recognition and measurement standards established by GAAP. As a result of this review, the Hospital qualified as a tax exempt organization under Section 501(c)(3) of the IRC and had no income derived from unrelated business activities and did not identify any entity level tax positions that would not meet the more-likely-than-not threshold.

The Hospital files informational tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Hospital is subject to examination by federal, state, local and foreign jurisdictions, where applicable. As of June 30, 2013, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the year ended June 30, 2010 and forward.

The Hospital would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. There was no such interest or penalties recorded for the years ended June 30, 2013 and 2012.

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 19. Cibola General Hospital - Component Unit (continued)**

Reclassifications

Certain amounts for the year ended June 30, 2012 have been reclassified to conform to the presentation of the June 30, 2013 amounts. The reclassifications have no effect on the changes in net assets for the year ended June 30, 2012.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from their established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare - Inpatient acute care services are cost-based reimbursed, and Outpatient services are reimbursed based upon a Medicare-determined percentage of gross charges rates. Inpatient, non-acute services and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

Medicaid - Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed under a cost reimbursement methodology. The Hospital is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audit thereof by the Medicaid fiscal intermediary. Net revenue from the Medicare and Medicaid programs accounted for approximately 53% and 44% of the Hospital's net patient service revenue for the years ended June 30, 2013 and 2012, respectively. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Medicare cost reports 2011 and prior have been settled and 2012 remains open. Medicaid cost reports for 2011 and prior have been settled and 2012 remains open. The 2013 cost reports have not been prepared. Management believes that estimated settlement amounts accrued for June 30, 2013 are adequate to provide for the settlement of all open cost reports.

The Hospital has also entered into payment agreements with certain commercial insurance carriers, health maintenance organizations and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge and discounts from established charges.

Net patient service revenue consists of the following at June 30:

	<u>2013</u>	<u>2012</u>
Inpatient gross charges	\$ 14,346,937	\$ 13,444,596
Outpatient gross charges	33,948,695	28,739,449
Sole community provider	<u>2,909,785</u>	<u>6,339,358</u>
	51,205,417	48,523,403
Less:		
Third-party contractual discounts and allowances	17,553,792	16,221,726
Un-sponsored charges, including community care	<u>5,887,505</u>	<u>4,626,360</u>
Net patient service revenue	<u>\$ 27,764,120</u>	<u>\$ 27,675,317</u>

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 19. Cibola General Hospital - Component Unit (continued)**

Assets Limited as to Use

Assets limited as to use are stated at fair value (which approximates cost) and are comprised of the following at June 30:

	<b>2013</b>	<b>2012</b>
Certificates of deposit	\$ 4,496,501	\$ 4,591,055
Money market	5,124,713	3,145,548
Interest receivable	18,216	21,146
Total assets limited as to use	\$ 9,639,430	\$ 7,757,749

The Board of Trustees retains control over these assets and may, at its discretion, use the assets for other purposes.

Fair Value of Financial Instruments

Effective January 1, 2008, the Hospital adopted FASB ASC 820-10, which provides a framework for measuring fair value under GAAP and expands disclosures about fair value measurement. ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels. The three levels defined by the ASC 820-10 hierarchy are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability (such as interest rates and yield curves, prepayment speeds, loss credit risk, etc.)

Level 3- Unobservable inputs for the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs shall be developed based on the best information available in the circumstances, which might include the reporting entity's own data and assumptions.

There are three general valuation techniques that may be used to measure fair value, as described below:

Market approach - Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;

Cost approach - Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 19. Cibola General Hospital - Component Unit (continued)**

Income approach - Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Fair value of assets measured on a recurring basis at June 30, 2013 and 2012 are as follows:

	<b>Fair Value Measurements at Reporting Date Using</b>			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2013</u>				
Assets limited as to use	\$ 9,639,430	9,639,430	-	-
Total	\$ 9,639,430	9,639,430	-	-
 <u>June 30, 2012</u>				
Assets limited as to use	\$ 7,757,749	7,757,749	-	-
Total	\$ 7,757,749	7,757,749	-	-

In January 2010, the Financial Accounting Standards Board released ASU 2010-06, Improving Disclosures about Fair Value Measurements. ASU 2010-06 is effective for annual and interim reporting periods beginning after December 15, 2009. ASU 2010-06 requires new disclosures related to transfers in and out of Levels 1 and 2; as well as additional purchase, sale, issuance and settlement information in the reconciliation for fair value measurements using significant unobservable inputs (Level 3). ASU 2010-06 also provides amendments that clarify existing disclosure requirements regarding levels of disaggregation and disclosures of inputs and valuation techniques. Given the nature of the investments held, management has determined that ASU 2010-06 is inapplicable to the Hospital.

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 19. Cibola General Hospital - Component Unit (continued)**

Property and Equipment

As of June 30, property and equipment consisted of the following:

	<u>2013</u>	<u>2012</u>
Non-depreciable assets:		
Land	\$ 733,729	\$ 733,729
Construction in progress	<u>430,715</u>	<u>4,913,733</u>
Total non-depreciable assets	1,164,444	5,647,462
Depreciable assets:		
Building and leasehold improvements	9,337,088	3,038,644
Equipment	<u>7,206,686</u>	<u>7,062,696</u>
Total depreciable assets	16,543,774	10,101,340
Less accumulated depreciation and amortization	<u>6,502,111</u>	<u>5,929,372</u>
Net depreciable assets	<u>10,041,663</u>	<u>4,171,968</u>
Total property and equipment, net	<u>\$ 11,206,107</u>	<u>\$ 9,819,430</u>

Accrued Liabilities

Accrued liabilities consist of the following at June 30:

	<u>2013</u>	<u>2012</u>
Accrued paid time off	\$ 507,996	\$ 476,168
Accrued wages	296,690	276,162
Accrued payroll taxes	142,325	106,762
Other	<u>17,850</u>	<u>31,965</u>
Total accrued liabilities	<u>\$ 964,861</u>	<u>\$ 891,057</u>

Mil Levy

Pursuant to New Mexico law adopted in 1980 and amended in 1981 allowing counties to provide expanded tax support to qualified hospitals, the voters of Cibola County approved a mil levy tax in 2011. The Hospital recorded \$1,234,057 and \$1,211,558 in the years ended June 30, 2013 and 2012, respectively, in mil levy proceeds. The amounts were used in accordance with the provisions of the property tax referendum. The Hospital receives mil levy taxes from the Treasurer of Cibola County. The County serves as the intermediary collecting agency and remits the Hospital's share of mil levy tax collections. The Hospital does not maintain detailed records of mil levy taxes receivable by the individual taxpayer.

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 19. Cibola General Hospital - Component Unit (continued)**

Medical Malpractice Claims

The Hospital has purchased a commercial insurance policy on a claims-made basis for coverage of its professional liability expense. Losses under this policy have not exceeded the coverage limits for the years ended June 30, 2013 and 2012. Certain malpractice claims have been asserted against the Hospital by various claimants. The claims are in various stages of processing and some may ultimately be brought to trial. In the opinion of legal counsel, the outcome of these actions will not have a significant effect on the financial position or the operating results of the Hospital.

Operating Leases

The Hospital has agreed, as part of a settlement with the County of Cibola, to a ten-year lease agreement for the use of the Hospital facility effective March 31, 2004. The Hospital paid \$265,000 in rental expense in both the year ended June 30, 2013 and ended June 30, 2012.

The following schedule details future minimum lease payments as of June 30, 2013, for operating leases with initial or remaining lease terms in excess of one year:

Minimum future rentals to be received on non-cancelable leases are approximately:

Years ending June 30:

2014	\$ 363,203
2015	364,241
2016	364,241
2017	364,423
2018	364,985
	<u>\$ 1,821,093</u>

Regulatory Audits

The Hospital is involved in standard regulatory audits arising in the ordinary course of business. While the ultimate outcome of these matters is not presently determinable, it is the opinion of management that the resolution of the outstanding audits will not have a material adverse effect on the financial position or results of operations of the Hospital.

Subsequent Events

Management has evaluated subsequent events through October 25, 2013 to determine whether such events should be recorded or disclosed in the financial statements or notes for the year ended June 30, 2013. The date through which events were reviewed represents the date the financial statements were available to be issued. The agreement between the Hospital and the County expires in February of 2014. The Hospital and the County are currently discussing the terms of a potential renewed agreement. The Hospital cannot determine whether the financial arrangements related to the current agreement will be modified.



**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 19. Cibola General Hospital - Component Unit (continued)**

Retirement Plan

The Hospital has a 403(b) Plan (the Plan) to provide retirement and incidental benefits for its employees. Employees may contribute up to a maximum annual amount as set periodically by the Internal Revenue Service. The Hospital matches 50% of an employee's contributions subject to IRS per-employee dollar limits. All matching contributions vest 20% each year for five years. In addition, the Plan provides for discretionary contributions as determined by the Board of Trustees. Hospital matching contributions to the Plan totaled \$160,539 and \$143,773 in 2013 and 2012, respectively.

Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at June 30 was as follows:

	<u>2013</u>	<u>2012</u>
Medicare	17%	39%
Medicaid	13%	11%
Commercial insurance	18%	7%
All other payors	52%	43%
	<u>100%</u>	<u>100%</u>

The decrease in Medicare accounts receivable is a result of resolution of Critical Access conversion issues related to 2012, which have since been resolved.

QHR manages the Hospital pursuant to a five-year agreement effective December 1, 2011 through December 1, 2015, between QHR and the Hospital, whereby the Hospital reimburses QHR for the appointed administrator's and chief financial officer's salaries, including, but not limited to, social security payments, retirement benefits and other benefits accruing to executive level employees of QHR.

This agreement may be terminated by either party upon 60 days written notice. As part of this agreement, the Hospital is able to purchase medical supplies from various vendors at more favorable prices than the Hospital could negotiate on its own. An unexpected termination of this contract with QHR could have an adverse effect on the operations of the Hospital due to the loss of key management personnel and loss of the favorable purchasing agreements until such time a new contract could be negotiated with an alternate management firm. The Hospital is not aware of, and does not anticipate, any termination of the existing contract.

Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services are as follows:

	<u>2013</u>	<u>2012</u>
Health care services	14,794,375	13,987,076
General and administrative	9,095,295	8,581,809
Total functional expenses	<u>23,889,670</u>	<u>22,568,885</u>

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**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

Statement A-1

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and cash equivalents	\$ 2,054,402	\$ 869	\$ 2,055,271
Investments	4	-	4
Accounts receivable:			
Property taxes	-	-	-
Intergovernmental	-	-	-
Other receivables	-	-	-
Interfund balances	-	-	-
Prepaid expenses	-	-	-
	<u>\$ 2,054,406</u>	<u>\$ 869</u>	<u>\$ 2,055,275</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Current liabilities:</i>			
Accounts payable	\$ 105,677	\$ 40,203	\$ 145,880
Accrued expenses	-	-	-
Interfund balances	-	68,544	68,544
	<u>105,677</u>	<u>108,747</u>	<u>214,424</u>
 <i>Fund balances:</i>			
Nonspendable	-	-	-
Restricted	1,948,729	-	1,948,729
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(107,878)	(107,878)
	<u>1,948,729</u>	<u>(107,878)</u>	<u>1,840,851</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,054,406</u>	<u>\$ 869</u>	<u>\$ 2,055,275</u>

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

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## STATE OF NEW MEXICO

Statement A-2

## CIBOLA COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<i>Revenues:</i>			
Property taxes	\$ 664	\$ -	\$ 664
Gross receipts taxes	-	-	-
Other taxes	582,146	-	582,146
State and local sources	1,293,408	134,000	1,427,408
Federal grants	46,995	-	46,995
Licenses and fees	90,796	-	90,796
Charges for services	-	-	-
Investment income	-	(9,030)	(9,030)
Miscellaneous	5,328	-	5,328
<i>Total revenues</i>	<u>2,019,337</u>	<u>124,970</u>	<u>2,144,307</u>
<i>Expenditures:</i>			
Current:			
General government	31,817	-	31,817
Public safety	445,838	-	445,838
Culture and recreation	-	-	-
Health and welfare	-	-	-
Education	-	-	-
Public works	1,309,558	141,450	1,451,008
Capital outlay	574,258	214,673	788,931
Debt service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>2,361,471</u>	<u>356,123</u>	<u>2,717,594</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(342,134)</u>	<u>(231,153)</u>	<u>(573,287)</u>
<i>Other financing sources (uses):</i>			
Proceeds from the issuance of debt	-	-	-
Transfers in (out)	503,079	-	503,079
<i>Total other financing sources (uses)</i>	<u>503,079</u>	<u>-</u>	<u>503,079</u>
<i>Net change in fund balances</i>	160,945	(231,153)	(70,208)
<i>Fund balances - beginning of year</i>	<u>1,787,784</u>	<u>123,275</u>	<u>1,911,059</u>
<i>Fund balances - end of year</i>	<u>\$ 1,948,729</u>	<u>\$ (107,878)</u>	<u>\$ 1,840,851</u>

The accompanying notes are an integral part of these financial statements

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**NONMAJOR SPECIAL REVENUE FUNDS**

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## NONMAJOR SPECIAL REVENUE FUNDS

**Volunteer Fire Districts (VFD)** – Accounts for the expenditure of funds received from the State under the State's Fire Allotment Program. This money is used in support of county volunteer fire departments. Such revenue provides for payment of all current operating costs and may be used only for that purpose. Authority is NMSA 59-53-1.

**Emergency Medical Services (EMS)** – Accounts for the expenditure of grant monies received for emergency medical services within the County. See Section 24-10A-6, NMSA 1978.

**Road** - Accounts for the activities of the County's road and highways, which provides service to the residents of the County, authorized by sections 6-623, 7-1-6.19, 67-3-28.2, and Chapter 113, Laws of 1992, NMSA. Funds are used to maintain County roads, including but not limited to administration, operation, maintenance, and capital outlay. Revenues are provided by motor vehicle fees, gas taxes, State appropriations, and State severance tax bonds.

**Farm and Range** – Accounts for revenues and expenditures relating to predatory animal control and secondary road maintenance. Financing is provided by the County's share of state grazing fees. Such fees are provided for payment of all current operating costs and may be used for that purpose only. Authority is NMSA 6-11-6.

**Recreation** – Accounts for revenues and expenditures relating to county recreational facilities and programs. Financing is provided by the State. Such revenue provides for payment of all current operating costs and may be used for that purpose only. Authority is NMSA 7-12-15. .

**Law Enforcement Protection** – Accounts for the expenditure of grant monies received to enhance the law enforcement function within the County. Financing is provided from the state under NMSA 23-12-1.

**County Fire Protection** – Accounts for the expenditure of funds received from a percentage of gross receipts. This money is used in support of County volunteer fire departments and is distributed by the County Manager based on need for the fire district. Such revenue provides for payment of all current operating costs and may be used only for that purpose pursuant to Section 29-13-4, NMSA 1978.

**County Clerk Record and Filing** – Accounts for funds created by the State requiring a two-dollar fee added to service provided by the County Clerk. This money must be set aside for capital outlay, rent, purchase lease or lease purchase equipment associated with recording, filing, maintaining documents and training on office procedures and equipment. See Section 14-8-12.2 NMSA 1978.

**Reappraisal** – Accounts for the funds from property taxes allotted for the reappraisal of property within the County pursuant to Section 7-38-38.1 NMSA. .

**State of New Mexico**  
**CIBOLA COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2013**

	<u>VFD Fund</u>	<u>EMS Fund</u>	<u>Road Fund</u>	<u>Farm and Range Fund</u>
<b>ASSETS</b>				
<i>Current assets</i>				
Cash and cash equivalents	\$ 608,548	\$ 53,465	\$ 467,477	\$ -
Investments	4	-	-	-
Accounts receivable:				
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other receivables	-	-	-	-
Interfund balances	-	-	-	-
<i>Total current assets</i>	<u>\$ 608,552</u>	<u>\$ 53,465</u>	<u>\$ 467,477</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current liabilities:</i>				
Accounts payable	\$ 42,177	\$ 11,570	\$ 51,930	\$ -
Accrued payroll liabilities	-	-	-	-
Interfund balances	-	-	-	-
<i>Total current liabilities</i>	<u>42,177</u>	<u>11,570</u>	<u>51,930</u>	<u>-</u>
<i>Fund balances:</i>				
Nonspendable	-	-	-	-
Restricted	566,375	41,895	415,547	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balance</i>	<u>566,375</u>	<u>41,895</u>	<u>415,547</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 608,552</u>	<u>\$ 53,465</u>	<u>\$ 467,477</u>	<u>\$ -</u>

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

<u>Recreation Fund</u>	<u>Law Enforcement Protection Fund</u>	<u>County Fire Protection Fund</u>	<u>County Clerk Recording and Filing Fund</u>	<u>Reappraisal Fund</u>	<u>Total</u>
\$ -	\$ 32,177	\$ 603,650	\$ 115,110	\$ 173,975	\$ 2,054,402
-	-	-	-	-	4
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 32,177</u>	<u>\$ 603,650</u>	<u>\$ 115,110</u>	<u>\$ 173,975</u>	<u>\$ 2,054,406</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 105,677
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	105,677
-	-	-	-	-	-
-	32,177	603,650	115,110	173,975	1,948,729
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>32,177</u>	<u>603,650</u>	<u>115,110</u>	<u>173,975</u>	<u>1,948,729</u>
<u>\$ -</u>	<u>\$ 32,177</u>	<u>\$ 603,650</u>	<u>\$ 115,110</u>	<u>\$ 173,975</u>	<u>\$ 2,054,406</u>

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

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	VFD Fund	EMS Fund	Road Fund	Farm and Range Fund
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Other taxes	-	-	448,603	-
State and local sources	495,142	35,764	734,102	-
Federal grants	-	-	38,546	8,449
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	3,898	-	1,430	-
<i>Total revenues</i>	<u>499,040</u>	<u>35,764</u>	<u>1,222,681</u>	<u>8,449</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	310,805	81,938	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	1,309,558	-
Capital outlay	558,807	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>869,612</u>	<u>81,938</u>	<u>1,309,558</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(370,572)</u>	<u>(46,174)</u>	<u>(86,877)</u>	<u>8,449</u>
<i>Other financing sources (uses):</i>				
Proceeds from issuance of debt	-	-	-	-
Transfer in (out)	93,238	26,316	567,170	12,551
<i>Total other financing sources (uses)</i>	<u>93,238</u>	<u>26,316</u>	<u>567,170</u>	<u>12,551</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(277,334)	(19,858)	480,293	21,000
<i>Fund balances - beginning of year</i>	<u>843,709</u>	<u>61,753</u>	<u>(64,746)</u>	<u>(21,000)</u>
<i>Fund balances - end of year</i>	<u>\$ 566,375</u>	<u>\$ 41,895</u>	<u>\$ 415,547</u>	<u>\$ -</u>

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



Recreation Fund	Law Enforcement Protection Fund	County Fire Protection Fund	County Clerk Recording and Filing Fund	Reappraisal Fund	Total
\$ -	\$ -	\$ 664	\$ -	\$ -	\$ 664
-	-	-	-	-	-
-	-	133,543	-	-	582,146
-	28,400	-	-	-	1,293,408
-	-	-	-	-	46,995
-	-	-	30,072	60,724	90,796
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	5,328
<u>-</u>	<u>28,400</u>	<u>134,207</u>	<u>30,072</u>	<u>60,724</u>	<u>2,019,337</u>
-	-	-	2,675	29,142	31,817
-	25,319	27,776	-	-	445,838
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,309,558
-	-	-	-	15,451	574,258
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>25,319</u>	<u>27,776</u>	<u>2,675</u>	<u>44,593</u>	<u>2,361,471</u>
-	3,081	106,431	27,397	16,131	(342,134)
-	-	-	-	-	-
120	-	(196,316)	-	-	503,079
120	-	(196,316)	-	-	503,079
120	3,081	(89,885)	27,397	16,131	160,945
(120)	29,096	693,535	87,713	157,844	1,787,784
<u>\$ -</u>	<u>\$ 32,177</u>	<u>\$ 603,650</u>	<u>\$ 115,110</u>	<u>\$ 173,975</u>	<u>\$ 1,948,729</u>

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

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**

Statement B-3

**VFD SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	-
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	431,149	431,149	495,142	63,993
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	91	91	-	(91)
Miscellaneous	-	-	3,898	3,898
<i>Total revenues</i>	<u>431,240</u>	<u>431,240</u>	<u>499,040</u>	<u>67,800</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	313,162	407,335	274,908	132,427
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	20,000	2,723,423	558,807	2,164,616
<i>Debt service:</i>				
Principal	68,742	53,504	-	53,504
Interest	16,682	15,424	-	15,424
<i>Total expenditures</i>	<u>418,586</u>	<u>3,199,686</u>	<u>833,715</u>	<u>2,365,971</u>
<i>Excess of revenues over expenditures</i>	<u>12,654</u>	<u>(2,768,446)</u>	<u>(334,675)</u>	<u>(2,298,171)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	40,000	40,000	93,238	53,238
<i>Total other financing sources (uses)</i>	<u>40,000</u>	<u>40,000</u>	<u>93,238</u>	<u>53,238</u>
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(241,437)</u>	<u>\$ (2,244,933)</u>
<i>Fund balances - beginning of year</i>			<u>849,989</u>	
<i>Fund balances - end of year</i>			<u>\$ 608,552</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>			\$ (241,437)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>(35,897)</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (277,334)</u>	

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

## STATE OF NEW MEXICO

Statement B-4

## CIBOLA COUNTY

## EMS SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## BUDGET (NON-GAAP BASIS) AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		YTD Actual	Variance Final
	Original	Final		Budget vs Actual Favorable (Unfavorable)
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	-
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	43,554	43,554	35,764	(7,790)
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>43,554</u>	<u>43,554</u>	<u>35,764</u>	<u>(7,790)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	67,650	114,590	75,941	38,649
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	5,000	5,000	-	5,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>72,650</u>	<u>119,590</u>	<u>75,941</u>	<u>43,649</u>
<i>Deficiency of revenues over expenditures</i>	<u>(29,096)</u>	<u>(76,036)</u>	<u>(40,177)</u>	<u>35,859</u>
<i>Other financing sources (uses):</i>				
Designated cash	29,096	76,036	-	(76,036)
Transfers in (out)	-	-	26,316	26,316
<i>Total other financing sources (uses)</i>	<u>29,096</u>	<u>76,036</u>	<u>26,316</u>	<u>(49,720)</u>
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(13,861)</u>	<u>\$ (13,861)</u>
<i>Fund balances - beginning of year</i>			<u>67,326</u>	
<i>Fund balances - end of year</i>			<u>\$ 53,465</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>			\$ (13,861)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>(5,997)</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (19,858)</u>	

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

## STATE OF NEW MEXICO

Statement B-5

## CIBOLA COUNTY

## ROAD SPECIAL REVENUE FUND

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

## BUDGET (NON-GAAP BASIS) AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	-
Gross receipt taxes	-	-	-	-
Other taxes	375,000	375,000	448,603	73,603
Federal grants	250,000	250,000	38,546	(211,454)
State and local grants	363,260	363,260	734,102	370,842
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	1,430	1,430
<i>Total revenues</i>	<u>988,260</u>	<u>988,260</u>	<u>1,222,681</u>	<u>234,421</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,274,739	1,539,586	1,500,753	38,833
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,274,739</u>	<u>1,539,586</u>	<u>1,500,753</u>	<u>38,833</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(286,479)</u>	<u>(551,326)</u>	<u>(278,072)</u>	<u>273,254</u>
<i>Other financing sources (uses):</i>				
Designated cash	286,479	551,326	-	(551,326)
Transfers in (out)	-	-	567,170	567,170
<i>Total other financing sources (uses)</i>	<u>286,479</u>	<u>551,326</u>	<u>567,170</u>	<u>15,844</u>
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>289,098</u>	<u>\$ 289,098</u>
<i>Fund balances - beginning of year</i>			<u>178,379</u>	
<i>Fund balances - end of year</i>			<u>\$ 467,477</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>			\$ 289,098	
Adjustments to revenues			-	
Adjustments to expenditures			<u>191,195</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 480,293</u>	

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

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**

Statement B-6

**FARM AND RANGE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		YTD Actual	Variance Final
	Original	Final		Budget vs Actual Favorable (Unfavorable)
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	-
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	7,000	7,000	8,449	1,449
State and local grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>7,000</u>	<u>7,000</u>	<u>8,449</u>	<u>1,449</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	10,500	21,000	21,000	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>10,500</u>	<u>21,000</u>	<u>21,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,500)</u>	<u>(14,000)</u>	<u>(12,551)</u>	<u>1,449</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	10,500	-	(10,500)
Transfers in (out)	3,500	3,500	12,551	9,051
<i>Total other financing sources (uses)</i>	<u>3,500</u>	<u>14,000</u>	<u>12,551</u>	<u>(1,449)</u>
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<i>Fund balances - beginning of year</i>			<u>-</u>	
<i>Fund balances - end of year</i>			<u>\$ -</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			<u>21,000</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 21,000</u>	

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

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**

Statement B-7

**RECREATION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		YTD Actual	Variance Final
	Original	Final		Budget vs Actual Favorable (Unfavorable)
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	-
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	120	(120)
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>120</u>	<u>(120)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(120)</u>	<u>(120)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	(120)	-	120
Transfers in (out)	-	120	120	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>120</u>	<u>120</u>
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<i>Fund balances - beginning of year</i>			<u>-</u>	
<i>Fund balances - end of year</i>			<u>\$ -</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			<u>120</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 120</u>	

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

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**

Statement B-8

**LAW ENFORCEMENT PROTECTION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	-
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	28,400	28,400	28,400	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>28,400</u>	<u>28,400</u>	<u>28,400</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	14,200	28,400	26,224	2,176
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	14,200	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>28,400</u>	<u>28,400</u>	<u>26,224</u>	<u>2,176</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,176</u>	<u>2,176</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>2,176</u>	<u>\$ 2,176</u>
<i>Fund balances - beginning of year</i>			<u>30,001</u>	
<i>Fund balances - end of year</i>			<u>\$ 32,177</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>			\$ 2,176	
Adjustments to revenues			-	
Adjustments to expenditures			<u>905</u>	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			<u>\$ 3,081</u>	

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

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**

Statement B-9

**FIRE PROTECTION SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ 664	664
Gross receipt taxes	-	-	-	-
Other taxes	130,000	130,000	133,543	3,543
Federal grants	-	-	-	-
State and local grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>130,000</u>	<u>130,000</u>	<u>134,207</u>	<u>4,207</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	31,000	31,000	29,859	1,141
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	47,000	47,000	-	47,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>78,000</u>	<u>78,000</u>	<u>29,859</u>	<u>48,141</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>52,000</u>	<u>52,000</u>	<u>104,348</u>	<u>52,348</u>
<i>Other financing sources (uses):</i>				
Designated cash	(12,000)	(12,000)	-	12,000
Transfers in (out)	(40,000)	(40,000)	(196,316)	(156,316)
<i>Total other financing sources (uses)</i>	<u>(52,000)</u>	<u>(52,000)</u>	<u>(196,316)</u>	<u>(144,316)</u>
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	(91,968)	<u>\$ (91,968)</u>
<i>Fund balances - beginning of year</i>			<u>695,618</u>	
<i>Fund balances - end of year</i>			<u>\$ 603,650</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>			\$ (91,968)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>2,083</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (89,885)</u>	

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



**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**

Statement B-10

COUNTY CLERK RECORDING AND FILING SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		YTD Actual	Variance Final
	Original	Final		Budget vs Actual Favorable (Unfavorable)
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	-
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	30,000	30,000	30,072	72
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>30,000</u>	<u>30,000</u>	<u>30,072</u>	<u>72</u>
<i>Expenditures:</i>				
Current:				
General government	15,000	15,000	2,675	12,325
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	15,000	15,000	-	15,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>2,675</u>	<u>27,325</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>27,397</u>	<u>27,397</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>27,397</u>	<u>\$ 27,397</u>
<i>Fund balances - beginning of year</i>			<u>87,713</u>	
<i>Fund balances - end of year</i>			<u>\$ 115,110</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>			\$ 27,397	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 27,397</u>	

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

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**

Statement B-11

**REAPPRAISAL SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		YTD Actual	Variance Final
	Original	Final		Budget vs Actual Favorable (Unfavorable)
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	-
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	55,000	55,000	60,724	5,724
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>55,000</u>	<u>55,000</u>	<u>60,724</u>	<u>5,724</u>
<i>Expenditures:</i>				
Current:				
General government	48,186	32,735	29,142	3,593
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	15,451	15,451	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>48,186</u>	<u>48,186</u>	<u>44,593</u>	<u>3,593</u>
<i>Excess of revenues over expenditures</i>	<u>6,814</u>	<u>6,814</u>	<u>16,131</u>	<u>9,317</u>
<i>Other financing sources (uses):</i>				
Designated cash	(6,814)	(6,814)	-	6,814
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(6,814)</u>	<u>(6,814)</u>	<u>-</u>	<u>6,814</u>
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>16,131</u>	<u>\$ 16,131</u>
<i>Fund balances - beginning of year</i>			<u>157,844</u>	
<i>Fund balances - end of year</i>			<u>\$ 173,975</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>			\$ 16,131	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 16,131</u>	

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

**NONMAJOR CAPITAL PROJECT FUNDS**

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## NONMAJOR CAPITAL PROJECT FUNDS

**Cubero VFD Construction** – Accounts for the construction of a fire station for the Cubero Volunteer Fire Department. Funding for this derived from the distributions of fire protection fund revenues distributed by the State Treasurer.

**Computer Equipment and Software** – Accounts for the cost of purchasing computer equipment and related software for use by the County – Funding for this project is derived from the County's gross receipts tax.

**Computer Equipment and Software Debt Service** – Accounts for the cost of purchasing computer equipment and related software for use by the County. Funding for this project is derived from loan proceeds from NMFA.

**Capital Outlay Transfers** – Accounts for the construction, repair and purchase of equipment and vehicles for various projects. Funding is from a combination of state and local funding.

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROEJCT FUNDS**  
**JUNE 30, 2013**

	Cubero VFD Construction Fund	Computer Equipment & Software Fund	Computer Equipment & Software Debt Fund	Capital Outlay Transfers Fund
<b>ASSETS</b>				
<i>Current assets:</i>				
Cash and cash equivalents	\$ -	\$ 869	\$ -	\$ -
Investments	-	-	-	-
Accounts receivable:				
Property taxes	-	-	-	-
Intergovernmental	-	-	-	-
Other receivables	-	-	-	-
Interfund balances	-	-	-	-
<i>Total current assets</i>	<u>\$ -</u>	<u>\$ 869</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Current liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 40,203
Accrued payroll liabilities	-	-	-	-
Interfund balances	134	1,278	19,349	47,783
<i>Total current liabilities</i>	<u>134</u>	<u>1,278</u>	<u>19,349</u>	<u>87,986</u>
<i>Fund balances:</i>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(134)	(409)	(19,349)	(87,986)
<i>Total fund balances</i>	<u>(134)</u>	<u>(409)</u>	<u>(19,349)</u>	<u>(87,986)</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ 869</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Total</u>	
\$	869
	-
	-
	-
	-
	-
<u>\$</u>	<u>869</u>

\$	40,203
	-
	<u>68,544</u>
	<u>108,747</u>

	-
	-
	-
	-
	<u>(107,878)</u>
	<u>(107,878)</u>
<u>\$</u>	<u>869</u>

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

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Cubero VFD Construction Fund	Computer Equipment & Software Fund	Computer Equipment & Software Debt Fund	Capital Outlay Transfers Fund
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	-	-	-	134,000
Federal grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	(9,030)	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>(9,030)</u>	<u>-</u>	<u>-</u>	<u>134,000</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	26,884	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	78,454
Education	-	-	-	-
Capital outlay	-	36,112	-	214,673
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>36,112</u>	<u>26,884</u>	<u>293,127</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(9,030)</u>	<u>(36,112)</u>	<u>(26,884)</u>	<u>(159,127)</u>
<i>Other financing sources (uses):</i>				
Proceeds from the issuance of debt	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(9,030)	(36,112)	(26,884)	(159,127)
<i>Fund balances - beginning of year</i>	<u>8,896</u>	<u>35,703</u>	<u>7,535</u>	<u>71,141</u>
<i>Fund balances - end of year</i>	<u>\$ (134)</u>	<u>\$ (409)</u>	<u>\$ (19,349)</u>	<u>\$ (87,986)</u>

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



<u>Total</u>
\$ -
-
-
134,000
-
-
-
(9,030)
-
<u>124,970</u>
26,884
-
-
-
78,454
-
250,785
-
-
<u>356,123</u>
<u>(231,153)</u>
-
-
-
(231,153)
<u>123,275</u>
<u><u>\$ (107,878)</u></u>

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

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**

Statement C-3

**CUBERO VFD CONSTRUCTION CAPITAL PROJECT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	(9,030)	(9,030)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>(9,030)</u>	<u>(9,030)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deficiency of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(9,030)</u>	<u>(9,030)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(9,030)</u>	<u>\$ (9,030)</u>
<i>Fund balances - beginning of year</i>			<u>8,896</u>	
<i>Fund balances - end of year</i>			<u>\$ (134)</u>	
<b><i>Reconciliation to GAAP Basis:</i></b>				
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>			\$ (9,030)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (9,030)</u>	

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

STATE OF NEW MEXICO  
CIBOLA COUNTY

Statement C-4

COMPUTER EQUIPMENT AND SOFTWARE CAPITAL PROJECT FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	36,112	(36,112)
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>36,112</u>	<u>(36,112)</u>
<i>Deficiency of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(36,112)</u>	<u>(36,112)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(36,112)</u>	<u>\$ (36,112)</u>
<i>Fund balances - beginning of year</i>			<u>35,703</u>	
<i>Fund balances - end of year</i>			<u>\$ (409)</u>	
<b><i>Reconciliation to GAAP Basis:</i></b>				
<i>Deficiency of revenues and other financing sources over expenditures and other financing uses</i>			\$ (36,112)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (36,112)</u>	

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

STATE OF NEW MEXICO  
CIBOLA COUNTY

Statement C-5

COMPUTER EQUIPMENT AND SOFTWARE DEBT CAPITAL PROJECT FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	26,884	(26,884)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>26,884</u>	<u>(26,884)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(26,884)</u>	<u>(26,884)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(26,884)</u>	<u>\$ (26,884)</u>
<i>Fund balances - beginning of year</i>			<u>7,535</u>	
<i>Fund balances - end of year</i>			<u>\$ (19,349)</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>			\$ (26,884)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (26,884)</u>	

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

STATE OF NEW MEXICO  
CIBOLA COUNTY

Statement C-6

CAPITAL OUTLAY TRANSFERS CAPITAL PROJECT FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipt taxes	-	-	-	-
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	134,000	134,000	134,000	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>134,000</u>	<u>134,000</u>	<u>134,000</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	114,708	(114,708)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	134,000	134,000	138,216	(4,216)
<i>Debt service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>134,000</u>	<u>134,000</u>	<u>252,924</u>	<u>(118,924)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(118,924)</u>	<u>(118,924)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Deficiency of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(118,924)</u>	<u>\$ (118,924)</u>
<i>Fund balances - beginning of year</i>			<u>71,141</u>	
<i>Fund balances - end of year</i>			<u>\$ (47,783)</u>	
<b><i>Reconciliation to GAAP Basis:</i></b>				
<i>Deficiency of revenues and other financing sources over expenditures and other financing (uses)</i>			\$ (118,924)	
Adjustments to revenues			-	
Adjustments to expenditures			<u>(40,203)</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (159,127)</u>	

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

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**DEBT SERVICE FUNDS**

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## STATE OF NEW MEXICO

Statement D-1

## CIBOLA COUNTY

## DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ 5,644	5,644
Gross receipt taxes	1,000,000	1,000,000	1,748,302	748,302
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	-	-	-	-
Charges for services	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	34,900	34,900	-	(34,900)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,034,900</u>	<u>1,034,900</u>	<u>1,753,946</u>	<u>719,046</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General government	72,300	72,300	54,946	17,354
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
<i>Debt service:</i>				
Principal	680,000	680,000	738,811	(58,811)
Interest	412,300	412,300	430,251	(17,951)
<i>Total expenditures</i>	<u>1,164,600</u>	<u>1,164,600</u>	<u>1,224,008</u>	<u>(59,408)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(129,700)</u>	<u>(129,700)</u>	<u>529,938</u>	<u>659,638</u>
<i>Other financing sources (uses):</i>				
Designated cash	129,700	129,700	-	(129,700)
Transfers in (out)	-	-	76,762	76,762
<i>Total other financing sources (uses)</i>	<u>129,700</u>	<u>129,700</u>	<u>76,762</u>	<u>(52,938)</u>
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>	<u>\$ -</u>	<u>\$ -</u>	<u>606,700</u>	<u>\$ 606,700</u>
<i>Fund balances - beginning of year</i>			<u>5,741,101</u>	
<i>Fund balances - end of year</i>			<u>\$ 6,347,801</u>	
<b>Reconciliation to GAAP Basis:</b>				
<i>Excess of revenues and other financing sources over expenditures and other financing uses</i>			\$ 606,700	
Adjustments to revenues			-	
Adjustments to expenditures			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 606,700</u>	

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

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**ENTERPRISE FUND**

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**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**

Statement E-1

**DETENTION CENTER ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		YTD Actual	Variance Final Budget vs Actual Favorable (Unfavorable)
	Original	Final		
<i>Operating revenues:</i>				
Gross receipt taxes	\$ 375,000	\$ 375,000	\$ 436,732	\$ 61,732
Other taxes	-	-	-	-
Federal grants	-	-	-	-
State and local grants	-	-	-	-
Charges for services	1,214,950	1,214,950	1,855,158	640,208
Miscellaneous	-	-	61,621	61,621
<i>Total operating revenues</i>	<u>1,589,950</u>	<u>1,589,950</u>	<u>2,353,511</u>	<u>763,561</u>
<i>Operating expenses:</i>				
Personnel services	1,818,239	1,819,439	2,026,477	(207,038)
Operating expenses	1,474,502	1,486,129	1,156,613	329,516
Capital outlay	30,000	17,173	3,553	13,620
<i>Total operating expenditures</i>	<u>3,322,741</u>	<u>3,322,741</u>	<u>3,186,643</u>	<u>136,098</u>
<i>Operating income (loss)</i>	<u>(1,732,791)</u>	<u>(1,732,791)</u>	<u>(833,132)</u>	<u>899,659</u>
<i>Nonoperating income (expenses):</i>				
Designated cash	-	-	-	-
Interest income	-	-	1,012	1,012
Transfers in (out)	1,732,791	1,732,791	1,732,791	-
<i>Total nonoperating income (expenses)</i>	<u>1,732,791</u>	<u>1,732,791</u>	<u>1,733,803</u>	<u>1,012</u>
<i>Net income (loss)</i>	<u>\$ -</u>	<u>\$ -</u>	900,671	<u>\$ 900,671</u>
<i>Net assets - beginning of year</i>			<u>(460,280)</u>	
<i>Net assets - end of year</i>			<u>\$ 440,391</u>	
<b><i>Reconciliation to GAAP Basis:</i></b>				
<i>Net income (loss)</i>			\$ 900,671	
Adjustments to revenues			(12,204)	
Adjustments to expenditures			(403,696)	
<i>Change in net position</i>			<u>\$ 484,771</u>	

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

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**SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**SCHEDULE OF DEPOSITORIES**  
**FOR THE YEAR ENDING JUNE 30, 2013**

Schedule I

Bank Name	Acct. Type	Bank Balance	Deposits in Transit	Outstanding Checks	Carrying Balance
<b>WELLS FARGO BANK</b>					
Operational	Checking	\$ 4,041,548	\$ 30,986	\$ 416,581	\$ 3,655,953
Savings	Savings	953	-	-	953
Brokerage	Money Market	3,314,369	-	121,529	3,192,840
<i>SUBTOTAL Wells Fargo Bank</i>		<u>7,356,870</u>	<u>30,986</u>	<u>538,110</u>	<u>6,849,746</u>
<b>GRANTS STATE BANK</b>					
CDBG	Checking	1	-	-	1
NOW Account	Checking	1,210,206	-	-	1,210,206
Sherriff's Dept Scholarship Fund	Checking*	4,168	-	-	4,168
Inmate Trust Account	Checking*	22,735	-	-	22,735
Money Market	Money Market	3,608,866	-	346	3,608,520
Certificate of Deposit	CD	521,434	-	-	521,434
<i>SUBTOTAL Grants State Bank</i>		<u>5,367,410</u>	<u>-</u>	<u>346</u>	<u>5,367,064</u>
-					
<b>US BANK</b>					
Savings	Savings	77	-	-	77
Certificate of Deposit	CD	167,486	-	-	167,486
Certificate of Deposit	CD	153,667	-	-	153,667
Checking	Checking	1,278	-	-	1,278
Business Account	Money Market	1,896,729	-	-	1,896,729
<i>SUBTOTAL US Bank</i>		<u>2,219,237</u>	<u>-</u>	<u>-</u>	<u>2,219,237</u>
Total Cash in Bank		<u>\$ 14,943,517</u>	<u>\$ 30,986</u>	<u>\$ 538,456</u>	14,436,047
Add: Petty Cash					400
Add: New Mexico Finance Authority (NMFA) Cash					38,460
Add: State Treasurer's Office LGIP Fund					668
Subtotal					<u>14,475,575</u>
Less: Agency Funds					598,798
Total Cash and Investments					<u>\$ 13,876,777</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**SCHEDULE OF PLEDGED COLLATERAL**  
**FOR THE YEAR ENDING JUNE 30, 2013**

Schedule II

Security Description	CUSIP Number	Fair Market Value	Maturity Date	Name and Location of Safekeeper
<b>WELLS FARGO BANK</b>				
FG J16662 3.00%	3128PWMK1	\$ 258,909	9/1/2026	Bank of New York Mellon, New York, NY
FN AJ4908 3.50%	3138AWN25	175,411	11/1/2041	Bank of New York Mellon, New York, NY
FN AL0604 3.00%	3138EGU69	103,947	8/1/2026	Bank of New York Mellon, New York, NY
FN AP4786 3.00%	3138M8J87	611,893	9/1/2042	Bank of New York Mellon, New York, NY
FN AQ9991 3.00%	3138MSC56	106,180	2/1/2043	Bank of New York Mellon, New York, NY
FN AR1044 3.00%	3138NXES2	739,170	1/1/2043	Bank of New York Mellon, New York, NY
FN AE0385 4.00%	31419ANB9	146,538	9/1/2040	Bank of New York Mellon, New York, NY
SUBTOTAL Wells Fargo Bank		<u>2,142,048</u>		
<b>GRANTS STATE BANK</b>				
FNMA #AH9688 4.50%	3138ABXS3	430,597	4/1/2026	The Independent Banker's Bank, Irving, TX
FNMA #AL1806 4.50%	3138AFAG5	407,031	4/1/2026	The Independent Banker's Bank, Irving, TX
FNMA #AL4952 3.00%	3138AJQE5	411,758	11/1/2026	The Independent Banker's Bank, Irving, TX
FNMA # AL0846 3.500%	3138EG5G5	273,076	10/1/2026	The Independent Banker's Bank, Irving, TX
FNMA # AB4090 3.00%	31417ARL5	351,259	12/1/2026	The Independent Banker's Bank, Irving, TX
Albuquerque NM MET Arroyo 3.50%	013572HP0	875,944	8/1/2015	The Independent Banker's Bank, Irving, TX
Carlsbad SD Call FR 3.800%	142735CM9	200,486	8/1/2013	The Independent Banker's Bank, Irving, TX
Chama VY ISD Noncall FR 4.10%	157670EA4	76,740	4/1/2014	The Independent Banker's Bank, Irving, TX
Chama VY ISD Noncall FR 4.15%	157670EC0	78,587	4/1/2015	The Independent Banker's Bank, Irving, TX
Chama VY ISD Noncall FR 4.15%	157670EB2	80,039	4/1/2016	The Independent Banker's Bank, Irving, TX
Curry Cnty Call FR 4.20%	231327BB3	275,743	8/1/2013	The Independent Banker's Bank, Irving, TX
Los Alamos ISD Call FR 3.00%	544228BS7	100,199	8/1/2013	The Independent Banker's Bank, Irving, TX
Los Alamos ISD Call FR 3.10%	544228BR9	100,205	8/1/2014	The Independent Banker's Bank, Irving, TX
Los Alamos ISD Call FR 3.20%	544228BS7	150,281	8/1/2015	The Independent Banker's Bank, Irving, TX
Los Alamos ISD Call FR 3.35%	544228BT5	135,239	8/1/2016	The Independent Banker's Bank, Irving, TX
Lovington NM Muni 2.50%	547473DG0	464,985	10/1/2018	The Independent Banker's Bank, Irving, TX
San Juan Cnty NM JRCO 3.75%	798360EB5	200,694	2/15/2016	The Independent Banker's Bank, Irving, TX
Santa Fe Cnty NM BQ Noncall 4.30%	801889LR5	227,730	7/1/2019	The Independent Banker's Bank, Irving, TX
Socorro SD Noncall FR 4.60%	83368PBG0	75,254	8/1/2013	The Independent Banker's Bank, Irving, TX
Southern Sandoval NM BQGO 3.75%	843789DU9	186,338	8/1/2025	The Independent Banker's Bank, Irving, TX
Artesia NM WTR 4.00%	04310LAR1	258,007	6/1/2025	The Independent Banker's Bank, Irving, TX
Mississippi Dev BK BQ Call 4.00%	60534RSX8	513,750	3/1/2025	The Independent Banker's Bank, Irving, TX
San Miguel Cnty 3.00%	799108CX1	125,983	6/1/2016	The Independent Banker's Bank, Irving, TX
San Miguel Cnty 3.00%	799108CZ6	405,740	6/1/2017	The Independent Banker's Bank, Irving, TX
San Miguel Cnty 3.00%	799108CY9	412,878	6/1/2018	The Independent Banker's Bank, Irving, TX
Silver City NM GR Rev 2.750%	82750PAG9	232,697	6/1/2018	The Independent Banker's Bank, Irving, TX
Silver City NM GR Rev 3.375%	82750PAN4	275,017	6/1/2024	The Independent Banker's Bank, Irving, TX
SUBTOTAL Grants State Bank		<u>7,326,257</u>		
<b>US BANK</b>				
Letter of Credit	513804	<u>2,000,000</u>	6/2/2014	Cibola County, Grants, NM
GRAND TOTAL All Banks		<u>\$ 11,468,305</u>		

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Schedule III

CIBOLA COUNTY

TAX ROLL RECONCILIATION - CHANGES IN PROPERTY TAXES RECEIVABLE  
FOR THE YEAR ENDED JUNE 30, 2013

Property taxes receivable, beginning of year	\$ 3,804,479
Changes to tax roll	
Net taxes charged to Treasurer for fiscal year	9,121,530
Adjustments	
Decreases in taxes receivable	(55,576)
Charge off of taxes receivable	<u>(122,038)</u>
Total receivables prior to collections	12,748,395
Collections for fiscal year ended June 30, 2013	<u>8,139,841</u>
Property taxes receivable, end of year	<u><u>\$ 4,608,554</u></u>
Property taxes receivable by year	
2003	\$ 237,520
2004	186,349
2005	474,619
2006	608,967
2007	1,258,746
2008	497,737
2009	32,133
2010	598,438
2011	<u>714,045</u>
Total taxes receivable	<u><u>\$ 4,608,554</u></u>

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

## CIBOLA COUNTY

## TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2013

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-End	County Receivable at Year-End
Rio San Jose Flood District - Residential							
2012	26,466	23,008	23,008	17,564	20,286	2,722	3,458
2011	24,651	1,861	22,924	22,924	22,924	-	1,727
2010	20,112	603	19,666	19,666	19,666	-	446
2009	24,375	488	23,633	23,633	23,633	-	742
2008	23,750	246	23,169	23,169	23,169	-	581
2007	21,413	105	20,954	20,954	20,954	-	459
2006	19,820	28	19,431	19,431	19,431	-	389
2005	18,521	21	18,164	18,164	18,164	-	357
2004	16,751	19	16,456	16,456	16,456	-	295
2003	17,263	260	17,256	17,256	17,256	-	7
Subtotal	213,122	26,639	204,661	199,217	201,939	2,722	8,461
Rio San Jose Flood District - Non-Residential							
2012	55,646	47,487	47,487	36,035	41,761	5,726	8,159
2011	51,472	1,969	47,944	47,944	47,944	-	3,528
2010	45,987	488	43,722	43,722	43,722	-	2,265
2009	34,449	218	32,256	32,256	32,256	-	2,193
2008	37,409	63	35,234	35,234	35,234	-	2,175
2007	33,342	22	31,589	31,589	31,589	-	1,753
2006	29,620	1	27,989	27,989	27,989	-	1,631
2005	28,350	1	26,846	26,846	26,846	-	1,504
2004	23,201	-	21,803	21,803	21,803	-	1,398
2003	19,791	1,338	19,788	19,788	19,788	-	3
Subtotal	359,267	51,587	334,658	323,206	328,932	5,726	24,609
Lava Soil and Water Conservation District - Residential							
2012	27,619	22,813	22,813	17,129	19,971	2,842	4,806
2011	25,713	2,401	22,970	22,970	22,970	-	2,743
2010	15,439	671	15,119	15,119	15,119	-	320
2009	25,327	402	24,135	24,135	24,135	-	1,192
2008	14,726	120	14,160	14,160	14,160	-	566
2007	13,250	86	12,785	12,785	12,785	-	465
2006	12,092	61	11,716	11,716	11,716	-	376
2005	11,026	39	10,673	10,673	10,673	-	353
2004	10,685	19	10,349	10,349	10,349	-	336
2003	11,183	310	11,182	11,182	11,182	-	1
Subtotal	167,060	26,922	155,902	150,218	153,060	2,842	11,158
Lava Soil and Water Conservation District - Non-Residential							
2012	46,190	36,721	36,721	27,215	31,968	4,753	9,469
2011	46,074	4,070	42,738	42,738	42,738	-	3,336
2010	36,476	1,104	34,553	34,553	34,553	-	1,923
2009	20,179	237	18,636	18,636	18,636	-	1,543
2008	24,967	52	23,572	23,572	23,572	-	1,395
2007	21,586	21	21,084	21,084	21,084	-	502
2006	17,700	11	17,383	17,383	17,383	-	317
2005	17,620	9	17,389	17,389	17,389	-	231

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

## STATE OF NEW MEXICO

Schedule IV

## CIBOLA COUNTY

## TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2013

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-End	County Receivable at Year-End
2004	17,010	1	16,842	16,842	16,842	-	168
2003	15,194	132	15,178	15,178	15,178	-	16
Subtotal	262,996	42,358	244,096	234,590	239,343	4,753	18,900
State Debt Service							
2012	428,701	376,730	376,730	288,504	332,617	44,113	51,971
2011	418,320	263,684	389,079	389,079	389,079	-	29,241
2010	462,507	9,328	439,987	439,987	439,987	-	22,520
2009	321,844	3,321	307,282	307,282	307,282	-	14,562
2008	316,086	1,450	303,285	303,285	303,285	-	12,801
2007	291,548	608	281,858	281,858	281,858	-	9,690
2006	285,130	234	275,793	275,793	275,793	-	9,337
2005	269,578	154	260,767	260,767	260,767	-	8,811
2004	215,302	143	208,443	208,443	208,443	-	6,859
2003	315,021	9,739	314,873	314,873	314,873	-	148
Subtotal	3,324,037	665,391	3,158,097	3,069,871	3,113,984	44,113	165,940
County Operational - Residential							
2012	981,045	859,072	859,072	859,072	859,072	-	121,973
2011	915,658	63,071	858,345	858,345	858,345	-	57,313
2010	905,153	28,971	868,488	868,488	868,488	-	36,665
2009	858,472	14,445	830,081	830,081	830,081	-	28,391
2008	790,409	6,199	770,691	770,691	770,691	-	19,718
2007	699,737	3,206	684,186	684,186	684,186	-	15,551
2006	611,465	1,039	598,922	598,922	598,922	-	12,543
2005	564,410	782	552,287	552,287	552,287	-	12,123
2004	589,691	1,018	578,334	578,334	578,334	-	11,357
2003	595,394	9,870	594,877	594,877	594,877	-	517
Subtotal	7,511,434	987,673	7,195,283	7,195,283	7,195,283	-	316,151
County Operational - Non-Residential							
2012	2,423,991	2,134,204	2,134,204	2,134,204	2,134,204	-	289,787
2011	2,309,816	94,730	2,139,459	2,139,459	2,139,459	-	170,357
2010	2,119,018	29,443	2,006,649	2,006,649	2,006,649	-	112,369
2009	2,126,048	14,683	2,016,281	2,016,281	2,016,281	-	109,767
2008	1,913,804	5,255	1,819,461	1,819,461	1,819,461	-	94,343
2007	1,809,735	1,234	1,738,359	1,738,359	1,738,359	-	71,376
2006	1,649,140	499	1,583,291	1,583,291	1,583,291	-	65,849
2005	1,669,008	205	1,604,151	1,604,151	1,604,151	-	64,857
2004	1,540,601	78	1,480,280	1,480,280	1,480,280	-	60,321
2003	1,459,875	57,054	1,459,522	1,459,522	1,459,522	-	353
Subtotal	19,021,036	2,337,385	17,981,657	17,981,657	17,981,657	-	1,039,379
05 Municipal Operational - Residential							
2012	257,096	232,532	232,532	179,622	206,077	26,455	24,564
2011	246,320	15,203	235,864	235,864	235,864	-	10,456
2010	327,872	8,792	319,287	319,287	319,287	-	8,585
2009	322,723	5,119	316,842	316,842	316,842	-	5,881

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

## CIBOLA COUNTY

## TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2013

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-End	County Receivable at Year-End
2008	215,977	1,607	213,041	213,041	213,041	-	2,936
2007	202,668	1,001	200,230	200,230	200,230	-	2,438
2006	181,772	91	179,839	179,839	179,839	-	1,933
2005	169,568	83	167,833	167,833	167,833	-	1,735
2004	139,465	168	138,319	138,319	138,319	-	1,146
2003	114,739	733	114,681	114,681	114,681	-	58
Subtotal	<u>2,178,200</u>	<u>265,329</u>	<u>2,118,468</u>	<u>2,065,558</u>	<u>2,092,013</u>	<u>26,455</u>	<u>59,732</u>
05 Municipal Operational - Non-Residential							
2012	303,691	261,739	261,739	199,241	230,490	31,249	41,952
2011	294,010	11,815	260,593	260,593	260,593	-	33,417
2010	394,527	5,100	356,496	356,496	356,496	-	38,031
2009	391,473	2,864	354,749	354,749	354,749	-	36,724
2008	246,822	974	224,576	224,576	224,576	-	22,246
2007	248,932	84	226,904	226,904	226,904	-	22,028
2006	235,411	-	213,542	213,542	213,542	-	21,869
2005	232,319	-	210,698	210,698	210,698	-	21,621
2004	183,434	-	166,138	166,138	166,138	-	17,296
2003	155,027	14,143	155,027	155,027	155,027	-	-
Subtotal	<u>2,685,646</u>	<u>296,719</u>	<u>2,430,462</u>	<u>2,367,964</u>	<u>2,399,213</u>	<u>31,249</u>	<u>255,184</u>
05_2 Municipal Operational - Residential							
2012	22,084	17,808	17,808	13,264	15,536	2,272	4,276
2011	20,997	2,139	18,822	18,822	18,822	-	2,175
2010	21,844	1,214	20,056	20,056	20,056	-	1,788
2009	21,236	762	19,678	19,678	19,678	-	1,558
2008	19,804	275	18,667	18,667	18,667	-	1,137
2007	17,461	78	16,571	16,571	16,571	-	890
2006	16,165	43	15,375	15,375	15,375	-	790
2005	16,194	34	15,477	15,477	15,477	-	717
2004	17,661	59	16,884	16,884	16,884	-	777
2003	17,536	711	17,413	17,413	17,413	-	123
Subtotal	<u>190,982</u>	<u>23,123</u>	<u>176,751</u>	<u>172,207</u>	<u>174,479</u>	<u>2,272</u>	<u>14,231</u>
05_2 Municipal Operational - Non-Residential							
2012	172,431	167,129	167,129	131,643	149,386	17,743	5,302
2011	167,402	4,427	164,294	164,294	164,294	-	3,108
2010	161,304	1,651	159,446	159,446	159,446	-	1,858
2009	161,730	1,757	159,434	159,434	159,434	-	2,296
2008	152,620	393	150,266	150,266	150,266	-	2,354
2007	143,974	256	143,330	143,330	143,330	-	644
2006	129,642	1	129,064	129,064	129,064	-	578
2005	125,926	-	125,671	125,671	125,671	-	255
2004	121,865	-	121,592	121,592	121,592	-	273
2003	116,682	257	116,682	116,682	116,682	-	-
Subtotal	<u>1,453,576</u>	<u>175,871</u>	<u>1,436,908</u>	<u>1,401,422</u>	<u>1,419,165</u>	<u>17,743</u>	<u>16,668</u>

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

## CIBOLA COUNTY

TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2013

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-End	County Receivable at Year-End
06 Municipal Debt Service - Residential							
2012	9,073	7,316	7,316	5,448	6,382	934	1,757
2011	18,825	1,918	16,875	16,875	16,875	-	1,950
2010	18,508	1,028	16,993	16,993	16,993	-	1,515
2009	18,543	665	17,182	17,182	17,182	-	1,361
2008	17,642	245	16,629	16,629	16,629	-	1,013
2007	18,481	82	17,539	17,539	17,539	-	942
2006	17,608	47	16,747	16,747	16,747	-	861
2005	17,904	38	17,111	17,111	17,111	-	793
2004	33,244	111	31,781	31,781	31,781	-	1,463
2003	-	-	-	-	-	-	-
Subtotal	169,828	11,450	158,173	156,305	157,239	934	11,655
06 Municipal Debt Service - Non-Residential							
2012	42,225	40,927	40,927	32,237	36,582	4,345	1,298
2011	85,955	2,273	84,359	84,359	84,359	-	1,596
2010	82,715	847	81,763	81,763	81,763	-	952
2009	71,690	779	70,673	70,673	70,673	-	1,017
2008	61,490	159	60,542	60,542	60,542	-	948
2007	67,782	121	67,479	67,479	67,479	-	303
2006	66,376	1	66,081	66,081	66,081	-	295
2005	71,730	-	71,585	71,585	71,585	-	145
2004	135,392	-	135,088	135,088	135,088	-	304
2003	-	-	-	-	-	-	-
Subtotal	685,355	45,107	678,497	669,807	674,152	4,345	6,858
07 School District Operational - Residential							
2012	40,460	35,454	35,454	27,128	31,291	4,163	5,006
2011	37,831	2,605	35,497	35,497	35,497	-	2,334
2010	37,378	1,192	35,895	35,895	35,895	-	1,483
2009	35,685	599	34,526	34,526	34,526	-	1,159
2008	32,805	254	31,999	31,999	31,999	-	806
2007	29,042	135	28,388	28,388	28,388	-	654
2006	25,388	44	24,862	24,862	24,862	-	526
2005	23,769	33	23,256	23,256	23,256	-	513
2004	24,843	43	24,361	24,361	24,361	-	482
2003	25,060	418	25,038	25,038	25,038	-	22
Subtotal	312,261	40,777	299,276	290,950	295,113	4,163	12,985
07 School District Operational - Non-Residential							
2012	98,494	86,765	86,765	66,495	76,630	10,135	11,729
2011	93,095	3,591	86,268	86,268	86,268	-	6,827
2010	85,456	1,194	80,948	80,948	80,948	-	4,508
2009	85,517	597	81,099	81,099	81,099	-	4,418
2008	76,894	215	73,095	73,095	73,095	-	3,799
2007	73,202	51	70,247	70,247	70,247	-	2,955
2006	67,856	20	65,082	65,082	65,082	-	2,774
2005	69,197	8	66,477	66,477	66,477	-	2,720

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

## CIBOLA COUNTY

## TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2013

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-End	County Receivable at Year-End
2004	63,722	2	61,207	61,207	61,207	-	2,515
2003	60,423	2,375	60,411	60,411	60,411	-	12
Subtotal	773,856	94,818	731,599	711,329	721,464	10,135	42,257
07_30 School District Operational - Residential							
2012	742	631	631	479	555	76	111
2011	1,079	76	970	970	970	-	109
2010	1,060	40	978	978	978	-	82
2009	745	15	694	694	694	-	51
2008	719	11	686	686	686	-	33
2007	694	1	691	691	691	-	3
2006	548	-	545	545	545	-	3
2005	345	1	343	343	343	-	2
2004	314	1	314	314	314	-	-
2003	286	-	286	286	286	-	-
Subtotal	6,532	776	6,138	5,986	6,062	76	394
07_30 School District Operational - Non-Residential							
2012	3,784	3,285	3,285	2,507	2,896	389	499
2011	2,732	281	2,501	2,501	2,501	-	231
2010	2,495	30	2,345	2,345	2,345	-	150
2009	2,780	15	2,639	2,639	2,639	-	141
2008	2,639	5	2,514	2,514	2,514	-	125
2007	1,439	1	1,426	1,426	1,426	-	13
2006	961	-	958	958	958	-	3
2005	689	-	679	679	679	-	10
2004	506	-	498	498	498	-	8
2003	6,349	108	6,322	6,322	6,322	-	27
Subtotal	24,374	3,725	23,167	22,389	22,778	389	1,207
08 School District Debt Service - Residential							
2012	712,270	624,134	624,134	477,550	550,842	73,292	88,136
2011	902,142	62,116	846,472	846,472	846,472	-	55,670
2010	743,353	23,692	713,863	713,863	713,863	-	29,490
2009	794,999	13,328	769,180	769,180	769,180	-	25,819
2008	738,436	5,700	720,274	720,274	720,274	-	18,162
2007	679,641	3,143	664,337	664,337	664,337	-	15,304
2006	643,877	1,102	630,539	630,539	630,539	-	13,338
2005	596,083	826	583,199	583,199	583,199	-	12,884
2004	573,903	992	562,760	562,760	562,760	-	11,143
2003	487,406	8,140	486,980	486,980	486,980	-	426
Subtotal	6,872,110	743,173	6,601,738	6,455,154	6,528,446	73,292	270,372
08 School District Debt Service - Non-Residential							
2012	1,296,971	1,142,526	1,142,526	875,612	1,009,069	133,457	154,445
2011	1,684,604	64,983	1,561,068	1,561,068	1,561,068	-	123,536
2010	1,381,569	19,307	1,308,686	1,308,686	1,308,686	-	72,883
2009	1,474,868	10,295	1,398,668	1,398,668	1,398,668	-	76,200

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

## CIBOLA COUNTY

## TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2013

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-End	County Receivable at Year-End
2008	1,263,518	3,519	1,201,090	1,201,090	1,201,090	-	62,428
2007	1,189,457	824	1,141,436	1,141,436	1,141,436	-	48,021
2006	1,084,207	325	1,039,888	1,039,888	1,039,888	-	44,319
2005	1,072,412	122	1,030,263	1,030,263	1,030,263	-	42,149
2004	985,409	40	946,515	946,515	946,515	-	38,894
2003	854,685	33,585	854,511	854,511	854,511	-	174
Subtotal	<u>12,287,700</u>	<u>1,275,526</u>	<u>11,624,651</u>	<u>11,357,737</u>	<u>11,491,194</u>	<u>133,457</u>	<u>663,049</u>
08_30 School District Debt Service - Residential							
2012	4,517	3,839	3,839	2,909	3,374	465	678
2011	5,451	382	4,898	4,898	4,898	-	553
2010	4,993	189	4,605	4,605	4,605	-	388
2009	3,453	70	3,217	3,217	3,217	-	236
2008	3,252	50	3,102	3,102	3,102	-	150
2007	3,634	7	3,618	3,618	3,618	-	16
2006	2,875	2	2,859	2,859	2,859	-	16
2005	2,164	3	2,150	2,150	2,150	-	14
2004	2,106	3	2,106	2,106	2,106	-	-
2003	2,301	3	2,301	2,301	2,301	-	-
Subtotal	<u>34,746</u>	<u>4,548</u>	<u>32,695</u>	<u>31,765</u>	<u>32,230</u>	<u>465</u>	<u>2,051</u>
08_30 School District Debt Service - Non-Residential							
2012	13,766	11,952	11,952	9,118	10,535	1,417	1,814
2011	17,555	1,811	16,072	16,072	16,072	-	1,483
2010	15,673	185	14,728	14,728	14,728	-	945
2009	17,314	92	16,434	16,434	16,434	-	880
2008	16,857	33	16,064	16,064	16,064	-	793
2007	11,877	4	11,770	11,770	11,770	-	107
2006	9,060	4	9,036	9,036	9,036	-	24
2005	7,684	5	7,578	7,578	7,578	-	106
2004	5,900	5	5,808	5,808	5,808	-	92
2003	4,782	81	4,762	4,762	4,762	-	20
Subtotal	<u>120,468</u>	<u>14,172</u>	<u>114,204</u>	<u>111,370</u>	<u>112,787</u>	<u>1,417</u>	<u>6,264</u>
09 School District Capital Improvements - Residential							
2012	216,364	189,591	189,591	145,063	167,327	22,264	26,773
2011	206,983	14,251	194,210	194,210	194,210	-	12,773
2010	204,809	6,528	196,684	196,684	196,684	-	8,125
2009	189,308	3,174	183,160	183,160	183,160	-	6,148
2008	179,755	1,388	175,335	175,335	175,335	-	4,420
2007	169,339	784	165,526	165,526	165,526	-	3,813
2006	155,388	266	152,169	152,169	152,169	-	3,219
2005	145,694	202	142,545	142,545	142,545	-	3,149
2004	152,411	264	149,452	149,452	149,452	-	2,959
2003	134,997	2,255	134,879	134,879	134,879	-	118
Subtotal	<u>1,755,048</u>	<u>218,703</u>	<u>1,683,551</u>	<u>1,639,023</u>	<u>1,661,287</u>	<u>22,264</u>	<u>71,497</u>

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



## CIBOLA COUNTY

## TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2013

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-End	County Receivable at Year-End
<b>09 School District Capital Improvements - Non-Residential</b>							
2012	393,977	347,061	347,061	265,981	306,521	40,540	46,916
2011	387,087	14,931	358,701	358,701	358,701	-	28,386
2010	380,650	5,319	360,569	360,569	360,569	-	20,081
2009	342,421	2,390	324,729	324,729	324,729	-	17,692
2008	307,575	856	292,378	292,378	292,378	-	15,197
2007	292,956	203	281,129	281,129	281,129	-	11,827
2006	271,425	81	260,330	260,330	260,330	-	11,095
2005	276,787	32	265,909	265,909	265,909	-	10,878
2004	261,694	11	251,365	251,365	251,365	-	10,329
2003	261,572	10,278	261,518	261,518	261,518	-	54
<b>Subtotal</b>	<b>3,176,144</b>	<b>381,162</b>	<b>3,003,689</b>	<b>2,922,609</b>	<b>2,963,149</b>	<b>40,540</b>	<b>172,455</b>
<b>09_30 School District Capital Improvements - Residential</b>							
2012	3,243	2,756	2,756	2,088	2,422	334	487
2011	4,713	330	4,235	4,235	4,235	-	478
2010	4,237	160	3,908	3,908	3,908	-	329
2009	2,976	61	2,772	2,772	2,772	-	204
2008	2,874	44	2,741	2,741	2,741	-	133
2007	2,777	5	2,765	2,765	2,765	-	12
2006	2,193	2	2,181	2,181	2,181	-	12
2005	1,380	2	1,372	1,372	1,372	-	8
2004	1,254	1	1,254	1,254	1,254	-	-
2003	1,192	2	1,192	1,192	1,192	-	-
<b>Subtotal</b>	<b>26,839</b>	<b>3,363</b>	<b>25,176</b>	<b>24,508</b>	<b>24,842</b>	<b>334</b>	<b>1,663</b>
<b>09_30 School District Capital Improvements - Non-Residential</b>							
2012	15,136	13,142	13,142	10,028	11,585	1,557	1,994
2011	15,180	1,566	13,897	13,897	13,897	-	1,283
2010	14,396	170	13,529	13,529	13,529	-	867
2009	16,024	84	15,209	15,209	15,209	-	815
2008	15,430	31	14,704	14,704	14,704	-	726
2007	9,076	3	8,995	8,995	8,995	-	81
2006	6,831	3	6,813	6,813	6,813	-	18
2005	4,902	3	4,834	4,834	4,834	-	68
2004	2,023	1	1,991	1,991	1,991	-	32
2003	2,540	43	2,529	2,529	2,529	-	11
<b>Subtotal</b>	<b>101,538</b>	<b>15,046</b>	<b>95,643</b>	<b>92,529</b>	<b>94,086</b>	<b>1,557</b>	<b>5,895</b>
<b>Grants Branch College - Residential</b>							
2012	74,537	65,314	65,314	49,974	57,644	7,670	9,223
2011	69,754	4,803	65,450	65,450	65,450	-	4,304
2010	69,020	2,199	66,282	66,282	66,282	-	2,738
2009	65,879	1,105	63,740	63,740	63,740	-	2,139
2008	60,578	468	59,088	59,088	59,088	-	1,490
2007	53,680	249	52,472	52,472	52,472	-	1,208
2006	47,793	82	46,803	46,803	46,803	-	990
2005	44,847	62	43,877	43,877	43,877	-	970

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

## CIBOLA COUNTY

TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS  
FOR THE YEAR ENDED JUNE 30, 2013

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-End	County Receivable at Year-End
2004	47,019	81	46,106	46,106	46,106	-	913
2003	47,435	792	47,394	47,394	47,394	-	41
Subtotal	<u>580,542</u>	<u>75,155</u>	<u>556,526</u>	<u>541,186</u>	<u>548,856</u>	<u>7,670</u>	<u>24,016</u>
Grants Branch College - Non-Residential							
2012	196,988	173,531	173,531	132,991	153,261	20,270	23,457
2011	186,383	7,190	172,715	172,715	172,715	-	13,668
2010	171,102	2,391	162,076	162,076	162,076	-	9,026
2009	171,210	1,195	162,365	162,365	162,365	-	8,845
2008	153,787	428	146,189	146,189	146,189	-	7,598
2007	146,552	101	140,635	140,635	140,635	-	5,917
2006	135,712	41	130,165	130,165	130,165	-	5,547
2005	138,394	15	132,954	132,954	132,954	-	5,440
2004	128,361	5	123,294	123,294	123,294	-	5,067
2003	121,500	4,774	121,475	121,475	121,475	-	25
Subtotal	<u>1,549,989</u>	<u>189,671</u>	<u>1,465,399</u>	<u>1,424,859</u>	<u>1,445,129</u>	<u>20,270</u>	<u>84,590</u>
Cibola General Hospital - Residential							
2012	470,326	411,851	411,851	315,059	363,455	48,396	58,475
2011	436,310	30,054	409,001	409,001	409,001	-	27,309
2010	431,320	13,805	413,848	413,848	413,848	-	17,472
2009	409,071	6,882	395,542	395,542	395,542	-	13,529
2008	388,307	3,045	378,619	378,619	378,619	-	9,688
2007	365,746	1,676	357,618	357,618	357,618	-	8,128
2006	338,614	576	331,668	331,668	331,668	-	6,946
2005	312,552	433	305,839	305,839	305,839	-	6,713
2004	326,539	564	320,250	320,250	320,250	-	6,289
2003	213,629	3,542	213,444	213,444	213,444	-	185
Subtotal	<u>3,692,414</u>	<u>472,428</u>	<u>3,537,680</u>	<u>3,440,888</u>	<u>3,489,284</u>	<u>48,396</u>	<u>154,734</u>
Cibola General Hospital - Non-Residential							
2012	869,364	765,432	765,432	586,518	675,975	89,457	103,932
2011	828,469	33,977	767,366	767,366	767,366	-	61,103
2010	760,080	10,561	719,774	719,774	719,774	-	40,306
2009	762,542	5,267	723,173	723,173	723,173	-	39,369
2008	686,386	1,885	652,549	652,549	652,549	-	33,837
2007	649,061	443	623,462	623,462	623,462	-	25,599
2006	591,464	179	567,847	567,847	567,847	-	23,617
2005	598,589	73	575,328	575,328	575,328	-	23,261
2004	563,570	29	541,504	541,504	541,504	-	22,066
2003	523,601	20,463	523,474	523,474	523,474	-	127
Subtotal	<u>6,833,126</u>	<u>838,309</u>	<u>6,459,909</u>	<u>6,280,995</u>	<u>6,370,452</u>	<u>89,457</u>	<u>373,217</u>
Cattle							
2012	16,594	14,396	14,396	10,980	12,688	1,708	2,198
2011	10,410	378	9,378	9,378	9,378	-	1,032
2010	8,835	111	8,258	8,258	8,258	-	577
2009	10,132	(326)	9,814	9,814	9,814	-	318

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

## STATE OF NEW MEXICO

Schedule IV

## CIBOLA COUNTY

## TAX ROLL RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2013

Agency/Tax Year	Property Taxes Levied	Collected in Current Year	Collected to Date	Distributed in Current Year	Distributed to Date	Undistributed at Year-End	County Receivable at Year-End
2008	9,875	(348)	9,585	9,585	9,585	-	290
2007	8,902	(205)	8,724	8,724	8,724	-	178
2006	9,139	(182)	8,971	8,971	8,971	-	168
2005	9,514	(1,232)	8,306	8,306	8,306	-	1,208
2004	7,739	(847)	6,892	6,892	6,892	-	847
2003	8,794	(48)	8,740	8,740	8,740	-	54
Subtotal	<u>99,934</u>	<u>11,697</u>	<u>93,064</u>	<u>89,648</u>	<u>91,356</u>	<u>1,708</u>	<u>6,870</u>
Sheep							
2012	11	11	11	9	10	1	-
2011	7	-	7	7	7	-	-
2010	3	-	3	3	3	-	-
2009	6	-	6	6	6	-	-
2008	9	(1)	8	8	8	-	1
2007	4	-	4	4	4	-	-
2006	9	-	9	9	9	-	-
2005	7	-	7	7	7	-	-
2004	6	-	6	6	6	-	-
2003	5	-	5	5	5	-	-
Subtotal	<u>67</u>	<u>10</u>	<u>66</u>	<u>64</u>	<u>65</u>	<u>1</u>	<u>1</u>
Horses							
2012	514	352	352	246	299	53	162
2011	373	(6)	297	297	297	-	76
2010	341	11	313	313	313	-	28
Subtotal	<u>1,228</u>	<u>357</u>	<u>962</u>	<u>856</u>	<u>909</u>	<u>53</u>	<u>266</u>
Grand Total	<u>76,471,455</u>	<u>9,338,970</u>	<u>72,628,746</u>	<u>71,431,150</u>	<u>72,029,948</u>	<u>598,798</u>	<u>3,842,709</u>
Total by Year							
2012	9,224,316	8,119,509	8,119,509	6,921,913	7,520,711	598,798	1,104,807
2011	9,515,371	712,880	8,853,269	8,853,269	8,853,269	-	662,102
2010	8,928,232	176,324	8,489,517	8,489,517	8,489,517	-	438,715
2009	8,783,019	90,583	8,377,829	8,377,829	8,377,829	-	405,190
2008	7,775,202	34,621	7,453,313	7,453,313	7,453,313	-	321,889
2007	7,276,988	14,329	7,026,111	7,026,111	7,026,111	-	250,877
2006	6,665,281	4,601	6,435,898	6,435,898	6,435,898	-	229,383
2005	6,517,163	1,954	6,293,568	6,293,568	6,293,568	-	223,595
2004	6,191,621	2,811	5,987,992	5,987,992	5,987,992	-	203,629
2003	5,594,262	181,358	5,591,740	5,591,740	5,591,740	-	2,522
	<u>76,471,455</u>	<u>9,338,970</u>	<u>72,628,746</u>	<u>71,431,150</u>	<u>72,029,948</u>	<u>598,798</u>	<u>3,842,709</u>

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

## STATE OF NEW MEXICO

Schedule V

## CIBOLA COUNTY

## AGENCY FUNDS

SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
<b>ASSETS</b>				
Cash	\$ 1,237,244	\$ 2,176,760	\$ 2,815,206	\$ 598,798
Taxes receivable	2,455,601	6,045,490	6,013,912	2,487,179
<i>Total assets</i>	<u>\$ 3,692,845</u>	<u>\$ 8,222,250</u>	<u>\$ 8,829,118</u>	<u>\$ 3,085,977</u>
<b>LIABILITIES</b>				
Due to other entities	\$ 3,692,845	\$ 8,222,250	\$ 8,829,118	\$ 3,085,977
<i>Total liabilities</i>	<u>\$ 3,692,845</u>	<u>\$ 8,222,250</u>	<u>\$ 8,829,118</u>	<u>\$ 3,085,977</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**SCHEDULE OF JOINT POWERS AGREEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

<b>Joint Power Agreement</b>	<b>Participants</b>	<b>Responsible Party</b>	<b>Description</b>
Senior Citizens Program	Cibola County City of Grants Village of Milan	City of Grants	Establishes a service area of senior citizens.
Mother Whiteside Memorial Library	Cibola County City of Grants Village of Milan	City of Grants	Provides capital and operating funds to establish a library.
Animal Control and Shelter	Cibola County City of Grants	City of Grants	Provide sheltering for captured animals for the purpose of preventing nuisance, disease and animal cruelty.
Northwest New Mexico Regional Solid Waste Authority	Cibola County City of Grants Village of Milan City of Gallup County of McKinley	Northwest New Mexico Regional Solid Waste Authority	Provide for the disposition of solid waste by establishing modern solid waste facilities.
Joint Communications Center	Cibola County City of Grants Village of Milan	Cibola County	Established and operates a combined communication and dispatch center for Cibola
Cibola Transit Authority	Cibola County City of Grants Village of Milan	Village of Milan	Established a transit system to provide transportation to residents and visitors.
Tax and Revenue Department	Cibola County State of New Mexico Taxation & Revenue Dept.	Cibola County Clerk's Office	Enables the County to register taxpayers with TRD and assign TRD identification numbers to taxpayers engaging in business in the County whose businesses obtain business licenses from the County.

<b>Beginning and Ending Dates</b>	<b>Total Estimated Project Amount and Amount Applicable to County</b>	<b>Amount Contributed by County During Fiscal Year</b>	<b>Audit</b>	<b>Fiscal Agent and Responsible Reporting Entity</b>
06/81 to Indefinite	The County contributes \$28,000 annually.	\$ 28,000	City of Grants	City of Grants
06/81 to Indefinite	The County contributes \$5,000 annually.	\$ 5,000	City of Grants	City of Grants
12/97 to Indefinite	The County contributes \$32,500 annually.	\$ 32,500	City of Grants	City of Grants
05/06 to Indefinite	The County is required to contribute 50% of its Environmental Gross Receipts Tax.	\$ 37,523	Northwest New Mexico Regional Solid Waste	Northwest New Mexico Regional Solid Waste Authority
11/04 to Indefinite	The County is required to provide one half of the yearly operating costs.	\$ 222,206	Cibola County	Cibola County
09/06 to Indefinite	The County contributes 43% of operating costs.	\$ 36,659	Village of Milan	Village of Milan
8/2010 to Indefinite	Free Service	\$ -	Cibola County	Cibola County

The accompanying notes are an integral part of these financial statements

**COMPLIANCE SECTION**

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# Griego Professional Services, LLC

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 AUDITOR'S REPORT

Hector Balderas, New Mexico State Auditor and  
Cibola County Board of Commissioners  
Grants, 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, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons of the general fund and major special revenue funds, of Cibola County, New Mexico (the County) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual funds and related budgetary comparisons of the County, presented as supplementary information, and have issued our report thereon dated December 31, 2013.

#### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies as items FS 11-02, FS 2013-01, FS 2013-02, FS 2013-03, FS 2013-04, FS 2013-07, FS 2013-09, and FS 2013-11.

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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 responses as items FS 2013-05, FS 2013-06, FS 2013-08, FS 2013-10, and FS 2013-12.

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

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

GRIEGO PROFESSIONAL SERVICES, LLC

A handwritten signature in cursive script that reads "Griego Professional Services, LLC".

Albuquerque, New Mexico  
December 31, 2013

**STATE OF NEW MEXICO**  
**CIBOLA COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**JUNE 30, 2013**

Schedule VII

**Section I – Summary of Audit Results**

*Financial Statements:*

1. Type of auditors’ report issued	Unmodified
2. Internal Control over Financial Reporting and on Compliance and Other Matters:	
a. Material weakness identified?	No
b. Significant deficiency identified not considered to be a material weaknesses?	Yes
c. Control deficiency identified not considered to be a significant deficiency?	No
d. Noncompliance material to financial statements noted?	No

**Section II – Financial Statement Findings**

**FS 11-02 Late Audit Report - Significant Deficiency - Repeated and Revised**

*Criteria:* Local public body audits, which includes Counties, are to be submitted to the State Auditor by November 15th as required by NMAC 2.2.2.9(1)(e).

*Condition:* The audit report was submitted to the State Auditor after the required deadline of November 15, 2013.

*Effect:* The users of the financial statements such as legislators, creditors, bondholders, state and federal grantors, etc., do not have timely audit reports and financial statements for their review. Late audit reports could have an effect on state and federal funding.

*Cause:* The County’s accounts were not reconciled to the general ledger and supporting documentation.

*Auditor’s Recommendation:* The County should ensure that accounts and properly reconciled and ready for audit so that the audit can be completed and filed on a timely basis.

*Management Response:* Cibola County accepts this finding based upon a lack of complete and correct reconciliation by the Cibola County Treasurer’s Office, as well as turnover in the Financial Analyst position. To remediate the problem and prevent future findings, the Treasurer’s Office and the Financial Analyst will meet monthly to develop and document standardized procedures and review monthly transactions.

**FS 2013-01 Capital Assets – Significant Deficiency**

*Criteria:* Section 12-6-10, NMSA, 1978 and NMAC 2.20.1.16 require that at the end of each fiscal year, a physical inventory be conducted of movable chattels and equipment costing more than five thousand dollars. Upon completion, the inventory shall be certified by the governing authority as to its correctness.

*Condition:* The County has conducted inventory reviews, but has not had the inventory nor adjustments reviewed and certified by the governing authority. The County counts, reviews and adjusts inventory on a calendar year basis, which is not in compliance with the requirement to conduct the inventory at the end of the fiscal year.

*Cause:* County personnel were not fully aware of all the requirements related to the management of capital asset controls.

*Effect:* The County is noncompliant with neither Section 12-6-10, NMSA, 1978 nor NMAC 2.20.1.16. There are limited internal controls implemented for safeguarding assets and no internal controls for establishing accountability for their custody and use. The capital asset inventory listing was not complete for fiscal year end and account balances may potentially be misstated as of June 30, 2013.

**STATE OF NEW MEXICO**  
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**FS 2013-01 Capital Assets – Significant Deficiency**

*Auditors' Recommendations:* The County must implement and formalize a policy relating to capital assets. The policy must be in compliance state statute, which required tagging of capital assets and requires an annual inventory be performed at year-end as well as ensuring capital asset listings, including additions, agree to the general ledger and are certified by the governing authority.

*Management's Responses:* While Cibola County does tag capital assets and keep an electronic inventory, we agree that documenting and defining the process of inventory tracking would be beneficial. The County intends to procure an inventory bar code scanner, which will expedite physical tracking and allow for increased accountability from the individual assigned to track the inventory, rather than relying on multiple department directors and elected officials to confirm the capital assets under their purview. With a complete review and revision of the capital asset listing as the procedures are updated in compliance with the New Mexico Administrative Code and pertinent state statutes, we will ensure that capital assets reconcile to the general ledger.

**FS 2013-02 Bank Reconciliations - Significant Deficiency**

*Criteria:* In accordance with 1978 NMSA 6-10-2, all public monies are to be recorded in a cash record and balanced on a daily basis.

*Condition:* The County reconciled the bank statements to the general ledger with the following internal control deficiencies throughout the year:

- The preparer of the bank reconciliations did not signify completion and accuracy through signature.
- The reconciliations did not indicate that a review of someone other than the preparer was completed.
- Reconciled cash balances per the bank reconciliations did not tie back to the general ledger by \$32,391.

*Cause:* The County's financial officer position was vacated during the fiscal year and the position was not filled until March of the current year. Because of this gap in oversight, the County staff was unable to determine and implement procedures to ensure compliance with state statutes.

*Effect:* Without performing accurate bank reconciliations, incorrect postings to the general ledger will not be recognized. It is often difficult to detect fraudulent activity if bank reconciliations are not performed accurately. Fraudulent transactions can take place and not be detected.

*Auditors' Recommendation:* We recommend that the County perform bank reconciliations on a monthly basis and be reviewed by the County Manager. If there are unusual reconciling items, County personnel should research and determine if adjusting entries should be made so that bank reconciliations are clean. In addition, bank reconciliations should be balanced to the general ledger in order to ensure that cash is properly reported.

*Management's Response:* While Cibola County does not dispute this finding, the causes listed are incomplete. Software issues with the Point and Pay service played a significant role in the lack of reconciliation and, while the former Financial Officer was aware there were problems, he continued to present incorrect monthly financials to the Commission. These discrepancies were identified by the County Manager and the new Financial Analyst has worked diligently with the Treasurer's Office to remediate the problem. In the future, the Financial Analyst and County Treasurer will meet monthly to reconcile the general ledger in a timely fashion and will discuss and address any unusual reconciling items that require research and adjusting entries. Standardized procedures have been developed to require signatures of both the preparer and the Financial Analyst. Subsequent to the monthly meeting, the Financial Analyst will present the reconciliation to the County Manager for review.

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**FS 2013-03 Preparation of Financial Statements –Significant Deficiency**

*Criteria:* Statement of Accounting Standards (SAS) 115, Communication of Internal Control Related Matters Identified in an Audit, requires that management clearly accept responsibility for preparing all financial information and County's financial statements.

*Condition:* The individuals responsible for the accounting functions for the County did not prepare the financial statements. The financial statements were prepared by the auditor.

*Cause:* The County's accounting staff is obtaining training on preparing the financials, but is not quite ready to take on the responsibility.

*Effect:* Individuals, without the aid of its auditors, are unable to accurately prepare the County's financial statements in accordance with the accounting standards with regard to apply generally accepted accounting principles.

*Auditors' Recommendations:* We recommend the accounting management receive training relating to the preparation for the County's financial statements in accordance with generally accepted accounting principles. This would give the accounting management responsible for the accounting and reporting functions the skills and knowledge to apply generally accepted accounting principles to the financial statements.

*Management Response:* Cibola County accepts this finding and is committed to the professional development of its staff and will provide the Financial Analyst with continued training to ensure that he has the knowledge to prepare correct financial statements in accordance with generally accepted accounting principles.

**FS 2013-04 Preparation of Trial Balance –Significant Deficiency**

*Criteria:* NMAC 2.20.5.8(C) (1) and (10) requires that the agency's Chief Financial Officer insure that an internal control structure exists and that all reporting of financial information must be timely, complete and accurate, to the state agency's management and to oversight agencies and entities.

*Condition:* The individuals responsible for the accounting functions for the County did not ensure that there are internal controls over the preparation of the trial balance and account balances. Account balances did not tie back to supporting documentation. Therefore, during our test work many adjustments were made in order to adjust general ledger accounts to June 30, 2013 balances.

*Cause:* The County's hired an outside accounting firm to help in the year-end close by preparing year-end adjustments, so that the trial balance would reflect balances as of June 30, 2013. However, only some of the County's account balances were adjusted.

*Effect:* Without the auditor adjustments, the County's financial statements did not accurately report the financial position of the County as of year-end and the financial statements did not comply with generally accepted accounting principles (GAAP).

*Auditors' Recommendations:* We recommend that accounting management receive training relating to the preparation for the County's financial statements in accordance with generally accepted accounting principles. This would give the accounting management responsible the skills and knowledge to apply generally accepted accounting principles to the financial statements.

*Management Response:* Cibola County accepts this finding based upon the issues with the lack of correct bank reconciliations between the Treasurer's Office and the former Financial Officer. Cibola County will ensure that both staff in the Treasurer's Office and the current Financial Analyst will receive adequate training to prevent a reoccurrence of this issue.

**STATE OF NEW MEXICO**  
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Schedule VII

**FS 2013-05 Travel and Per Diem – Other Matter**

*Criteria:* NMAC 2.42.2.9 (3) **Receipts required:** The public officer or employee must submit receipts for the actual meal and lodging expenses incurred. Under circumstances where the loss of receipts would create a hardship, an affidavit from the officer or employee attesting to the expenses may be substituted for actual receipts. The affidavit must accompany the travel voucher and include the signature of the agency head or governing board.

According to NMAC 2.42.2.11, Mileage accrued in the use of a private conveyance shall be paid only in accordance with the provisions of this section. Rate: Public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the discharge of official duties as follows: unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA 1978, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

*Condition:* During our test work of travel expenditures, GPS noted that one the following:

- 1 out of 10 instances in which mileage reimbursement (\$89) was reimbursed at 100% of the Federal rate
- 2 out of 10 instances totaling \$98 in which the staff was reimbursed for expenditures without receipts
- 6 out of 10 instances totaling \$6,807 in which all expenses of the trip were not safeguarded in one location in order to complete testing

*Cause:* Policies and procedures that the County has adopted for cash disbursements, including travel and per diem, are not being followed.

*Effect:* The lack of enforcement of policies and procedures may result in the non-authorized purchase of goods and/or services.

*Auditor's Recommendation:* The County must enforce policies and procedures that are set in place for the purchase of goods and/or services.

*Management's Response:* The County has reviewed and revised its Purchasing Policy addressing, in particular, travel and per diem protocol in accordance with the New Mexico Administrative Code and state statute. The policy will be enforced by the Chief Purchasing Officer with support of the Financial Analyst and County Manager. The policy is scheduled to go before the County Commission in early 2014.

**FS 2013-06 Credit Cards– Other Matter**

*Criteria:* An effective internal control structure requires that expenditures be substantiated with supporting documentations that clearly identifies the purpose of the expenditure.

*Condition:* During our test work of travel expenditures, GPS noted that one (1) out of fourteen (10) instances where there was no supporting documentation for a credit card payment, no approved invoice, or purchase order and/or payment request included.

*Cause:* Policies and procedures that the County has adopted for cash disbursements, including credit cards, are not being followed.

*Effect:* The lack of enforcement of policies and procedures may result in the non-authorized purchase of goods and/or services.

*Auditor's Recommendation:* The County must enforce policies and procedures that are set in place for the purchase of goods and/or services.

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**FS 2013-06 Credit Cards– Other Matter (continued)**

*Management's Response:* Cibola County has reviewed and revised its Purchasing Policy, aligning Purchase Cards policies procedures with the New Mexico Administrative Code and state statute. The policy will be enforced by the Chief Purchasing Officer with support of the Financial Analyst and County Manager. The policy is scheduled to go before the County Commission in early 2014.

**FS 2013-07 Deficiencies in Internal Control Structure Design – Significant Deficiency**

*Criteria:* NMAC 2.20.5.8 states that each local body shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

*Condition:* The County does not have a current comprehensive documented internal control structure.

*Effect:* The County has not maintained a formal policy and procedure manual. The lack of formally written policies and procedures may result in grant noncompliance and/or potential errors and misstatements in times of personnel turnover and personnel reductions.

*Cause:* The County has recently undergone an accounting system conversion and has not formally written all internal control policies and procedures.

*Auditors' Recommendation:* The County should its documented comprehensive internal control structure and ensure that it is followed.

*Management's Response:* Cibola County accepts this finding and is in the process of researching and reviewing similar procedural manuals of other counties in order to develop a protocol to ensure continuity of operations within the financial department.

**FS 2013-08 – Payroll – Other Matter**

*Criteria:* NMAC 2.20.5.8 states that each local body shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations.

*Condition:* During our test work of personnel files, GPS noted the following:

- 1 out of 25 instances in which the personnel file lacked Form I-9

*Cause:* The errors appear to be isolated instances. The internal controls over payroll process do not appear to have captured these instances.

*Effect:* The County is not in compliance with New Mexico State Statutes. The County could be subject to penalties or possibly legal action.

*Auditors' Recommendations:* We recommend that the County make periodic checks to ensure all employees are earning the correct rate based upon their contract.

*Management's Response:* This finding has been corrected and all personnel files audited by the Human Resource Director.



**STATE OF NEW MEXICO**  
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**FS 2013-09 Cash Disbursements – Significant Deficiency**

*Criteria:* Sound accounting practices and procedures; will only issue a purchase order prior to the invoice date and will only pay an invoice from a vendor one time. In addition, according to NMSA 1978 Section 6-6-3, the County is expected to conform to the rules and regulations that they have adopted relating to internal controls.

*Condition:* During our test work of cash disbursements, GPS noted the following:

- 9 out of 25 instances in which there was no purchase order and/or the invoice was not signed indicated approval, total value of purchases was \$25,004
- 6 out of 25 instances in which the purchase requisition was not available, total value of purchases was \$15,689
- 1 out of 25 instances in which the purchase order date was subsequent to the invoice date
- 1 out of 25 instances in which there was no invoice found in the supporting documentation

Additional testing of significant transactions revealed the following:

- 3 out of 51 instances in which the checks and supporting documentation could not be found
- 1 out of 51 instances in which the purchase order date was subsequent to the invoice date

*Effect:* Without appropriate documentation, the County is unable to demonstrate compliance with its own internal controls and policies.

*Cause:* The County is currently using purchase orders haphazardly and no one seems to be reviewing supporting documentation to ensure that it is complete and that payments are approved.

*Auditor's Recommendation:* We recommend that a system be put in place to insure that all back up documentation is reviewed prior to payment being issued.

*Management's Response:* Cibola County accepts this finding, as staff members identified these issues this fiscal year. Procedures have been implemented and are currently in place to ensure that this finding is not repeated. The procedures have been formalized in the revised Purchasing Policy that will go before the County Commission in early 2014.

**FS 2013-10 Timeliness of Deposits – Other Matter**

*Criteria:* State Statute requires that deposits must be made within a 24 hour period from the receipt of the funds.

*Condition:* During our test work of receipts, we noted five (5) instances out of twenty-five (25) instances in which a receipt was not deposited timely (within 24 hours). The deposits total \$3,683.

*Cause:* The staff of the County did not deposit the funds within 24 hours after receipt. Proper procedures relating to cash receipts were not followed.

*Effect:* Non-adherence to state statutes places the County in noncompliance and lack of timeliness of deposits could subject the County to a possible occurrence of fraud.

*Auditors' Recommendations:* We recommend that the County emphasize the importance of timely deposits of receipts and monitor receipts more closely in order to be compliant with state statutes. The County should cross-train employees so that more than one individual is able to make deposits to ensure daily deposits are possible.

*Management's Response:* Cibola County accepts this finding. The Cibola County Treasurer has been informed and is implementing procedures to prevent this finding in the future.

**FS 2013-11 Exceeded Budget Authority – Significant Deficiency – Repeated and Revised**

*Criteria:* Sound financial management and 6-6-6 NMSA 1978 require that budgets not be exceeded at the legal level of control. The County's legal level of control is at the expenditure function.

**STATE OF NEW MEXICO**  
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**FS 2013-11 Exceeded Budget Authority – Significant Deficiency – Repeated and Revised (continued)**

*Condition:* The County had the following expenditure functions where actual expenditures exceeded budgetary authority:

<b>Major Funds:</b>	
General Fund – General Government	\$ 2,556,548
General Fund – Health and Welfare	53,092
Indigent Special Revenue Fund – Health and Welfare	1,042,348
CDBG Planning Grant Special Revenue Fund – Public Works	401,577
Grants Special Revenue Fund – General Government	2,747
Grants Special Revenue Fund – Public Safety	30,385
Grants Special Revenue Fund – Public Works	1,215
Debt Service Fund – Principal	58,811
Debt Service Fund – Interest	17,951
Detention Center Enterprise Fund – Personnel Services	<u>207,038</u>
Subtotal Major Funds	<u>4,371,712</u>
<b>Nonmajor Funds:</b>	
Recreation Special Revenue Fund – Culture and Recreation	120
Fire Protection Special Revenue Fund – Transfers	156,316
Computer Equipment and Software Capital Projects Fund – Capital Outlay	36,112
Computer and Software Debt Capital Projects Fund – General Government	26,884
Capital Outlay Transfers Capital Projects Fund – Public Works	114,708
Capital Outlay Transfers Capital Projects Fund – Capital Outlay	<u>4,216</u>
Subtotal Nonmajor Funds	<u>338,356</u>
Total Primary Government	<u>\$ 4,710,068</u>

*Cause:* The County did not make the appropriate budgetary transfers to alleviate the over-expenditure.

*Effect:* The County is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised.

*Auditor's Recommendation:* The County should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

*Management's Response:* Cibola County accepts this finding and is implementing corrective procedures to prevent this finding in the future.

**FS 2013-12 – Cash Appropriations in Excess of Available Cash Balances – Other Matter – Repeated and Revised**

*Criteria:* All County funds, with the exception of agency funds, are to be budgeted by the local governing body and submitted to the Department of Finance and Administration's Local Government Division for approval. Cash balances re-budgeted to make up for deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

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**FS 2013-12 – Cash Appropriations in Excess of Available Cash Balances – Other Matter – Repeated and Revised (continued)**

*Condition:* The County re-budgeted “cash balance” in excess of available cash balances in the following funds:

	<u>Designated Cash</u>	<u>Available Cash</u>	<u>Excess of Designated Cash over Available Cash</u>
Nonmajor Governmental Funds			
EMS Special Revenue Fund	\$ 76,036	\$ 67,326	\$ 12,645
Road Special Revenue Fund	551,326	178,379	372,947
Farm and Range Special Revenue Fund	<u>10,500</u>	<u>0</u>	<u>10,500</u>
Total Primary Government	<u>\$ 637,862</u>	<u>\$ 245,705</u>	<u>\$ 396,092</u>

*Cause:* Inadequate monitoring of ending cash balances and budgeting are the cause of this problem.

*Effect:* The County has budgeted cash balance that does not exist. If the County expends all budgeted expenditures it could incur debt if the budgeted designated cash does not exist.

*Auditor’s Recommendation:* Budget for future years should be reviewed to insure all funds have adequate budget authority for budgeted expenditures. Greater attention should be given to the budget monitoring process end-of-the year cash balance estimates.

*Management’s Response:* Cibola County accepts this finding and is implementing corrective procedures to prevent this finding in the future.

**Section III – Component Unit Findings**

**FS 13-01 Improper Revenue Recognition – Material Weakness**

*Criteria:* The recognition, measurement, and display of revenues from transactions should be recognized when earned based on accrual accounting principles and should be measured by the increase in cash, receivables, or other assets or by the decreases in liabilities resulting from the transactions.

*Condition:* An adjusting entry, which reduced revenue by \$2,039,018, was necessary to complete the audit for the year ended June 30, 2013. The error in revenue recognition was noted by Hospital personnel and recommended to the Auditors.

*Cause:* The terms of an agreement with the State of New Mexico for Sole Community Provider Funds were changed. In recalculating the amount of revenue earned for the year ended June 30, 2013, Hospital personnel were given information from the State of New Mexico which conflicted and misled the Hospital’s interpretation of the final revenue earned.

*Effect:* June’s financial statements were closed using best estimates of information provided. After further evaluation, it was realized that the financial statements were misstated by approximately two million dollars.

*Auditors’ Recommendation:* In the instances where revenue transactions may be subject to misinterpretation, the Hospital should conduct a more thorough review prior to general ledger posting.

*Management’s Response:* The Hospital has established procedures to ensure that journal entries are more thoroughly reviewed prior to finalizing the month’s financial statements.

**FS 13-02 Payroll Processes – Other Matter**

*Criteria:* A properly filled out Form W-4 should be on file for all employees. Employees should be paid the rates established for the varying pay differentials.

**STATE OF NEW MEXICO**  
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**FS 13-02 Payroll Processes – Other Matter (continued)**

*Condition:* In a payroll sample of twenty-five, we noted one instance in where the employee listed their birth date instead of signing the signature portion of the Form W-4.

We also noted one instance in where an employee has been paid at the incorrect pay differential since February of 2012. For the paycheck actually tested, the employee was underpaid approximately forty –two dollars.

*Cause:* A second person does not always review changes made to payroll related documents.

*Effect:* The Hospital was not following regulations governing the proper completion of a Form W-4. An employee has been underpaid since February of 2012.

*Auditors' Recommendation:* We recommend that the Hospital establish a procedure where there is an internal audit of payroll related documentation. Payroll documentation should be updated and revised when needed. We recommend that the hospital calculate and pay the employee for prior wages coded at the wrong differential rate.

*Management's Response:* Payroll has been instructed to double-check supporting documents received from Human Resources when changes to differentials, withholdings and other transactions are input to the system by Human Resources staff.

**Section IV – Prior Year Audit Findings**

09-02 Capital Assets - Other Matter, Resolved

FS 11-01 Expenditures in Excess of Budget - Other Matter, Resolved

FS 11-02 Late Audit Report - Significant Deficiency, Repeated and Revised

FS 12-01 Cash Appropriations in Excess of Available Cash Balances – Other Matter, Resolved

**Section V – Other Disclosures**

**Auditor Prepared Financials**

Griego Professional Services, LLC assisted in the preparation of the financial statements presented in this report. The County's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.

**Exit Conference**

The contents of the County's report were discussed on January 13, 2014. The following individuals were in attendance:

**Cibola County**

Scott Vinson, County Manager

Joseph Sanders, Financial Analyst

Edward Michael, Commission Chairman

Rheganne Vaughn, Chief Operating Officer

**Griego Professional Services, LLC**

JJ Griego, CPA

**Component Unit Exit Conference**

The contents of the Cibola County General Hospital Corporation's audit report was discussed at a separate exit conference on November 8, 2013. The following individuals were in attendance.

**Cibola General Hospital Corporation**

Ron Ortiz, Board Chairman

Paul Milan, Board Treasurer

Nestor Griego, Board Secretary

Jeff Rimel, Assistant Administrator and CFO

Jenny Jensen, Executive Assistant

**Griego Professional Services, LLC**

J.J. Griego, CPA