

**STATE OF NEW MEXICO  
CATRON COUNTY**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITORS' REPORT**

**JUNE 30, 2009**

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
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**STATE OF NEW MEXICO  
CATRON COUNTY  
OFFICIAL ROSTER  
JUNE 30, 2009**

***Elected Officials***

Francis Edward Wehrheim .....	Commission Chairman
Hugh B. McKeen.....	Commission Member
Loyd Allen Lambert.....	Commission Member
Sarah Merklein.....	Treasurer
Irene J. Rael.....	Assessor
Sharon Armijo .....	Clerk
Shawn C. Menges.....	Sheriff
Wilford Estrada .....	Probate Judge

***Administrative Staff***

Bill Aymar.....	County Manager
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**Ed Fierro, CPA • Rose Fierro, CPA**527 Brown Road • Las Cruces, NM 88005  
Bus: (575) 525-0313 • Fax: (575) 525-9708  
www.fierrocpa.comIndependent Auditors' Report

Hector H. Balderas, State Auditor  
and  
Board of County Commissioners  
Catron County  
Reserve, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Catron County, New Mexico, as of and for the year ended June 30, 2009, which collectively comprise Catron County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of, and for the year ended, June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of Catron County's management. Our responsibility is to express opinions on these financial statements based on our audit.

Except as discussed in paragraphs three through six, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in note 1E5 and note 9 to the financial statements, management has not recorded depreciation expense on capital assets, nor have they recorded accumulated depreciation within the governmental activities. Accounting principles generally accepted in the United States of America require that those capital assets be depreciated, which would decrease the assets and net assets, and increase the expenses of the governmental activities. The amount by which this departure would affect the assets, net assets and expenses of the governmental activities, is not reasonably determinable.

Catron County has not maintained subsidiary records that detail all capital assets owned by the County. We were unable to obtain sufficient, competent evidence supporting the amounts reflected as property and equipment, and included in the statement of net assets as of June 30, 2009. Further, we were unable to obtain sufficient, competent evidence supporting the depreciation expense for business activities included in the statement of activities for the year ended June 30, 2009.

Catron County has not recorded a liability for landfill closure and post-closure costs for the Reserve, Datil and Pie Town, New Mexico landfill sites. We were unable to obtain sufficient, competent evidence regarding the liability for the Reserve, Datil, and Pie Town closure and post-closure costs not included in the statement of net assets as of June 30, 2009. Further, we were unable to obtain sufficient, competent evidence supporting the current year's expense not included in the statement of activities for the year ended June 30, 2009.

The County Attorney's response to the letter of audit inquiry is not clear regarding a probable or remote outcome concerning pending or threatened litigation, claims, and assessments. We were unable to obtain sufficient, competent evidence concerning the County's obligation to make financial statements disclosures of unasserted possible claims or assessments for the year ended June 30, 2009.

In our opinion, because of the matters discussed in the third paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of Catron County as of June 30, 2009, and the changes in financial position thereof for the year then ended. In addition, in our opinion, except for the effects of such adjustments as discussed in the fourth, fifth, and sixth paragraphs, if any, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of Catron County, New Mexico, as of June 30, 2009, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, except for the effects of such adjustments as discussed in the sixth paragraph, if any, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of Catron County, as of June 30, 2009, and the respective changes in financial position thereof, in conformity with accounting principles generally accepted in the United States of America. Additionally, in our opinion, the general fund, capital projects fund, non-major landfill enterprise fund, and all non-major governmental funds referred to previously present fairly, in all material respects, the budgetary comparison for each fund of Catron County for the year ended June 30, 2009, in conformity with the budgetary basis of accounting more fully described in note 1D, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2010, on our consideration of Catron County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the basic financial statements, the combining and individual fund financial statements, and budgetary comparison statements. The accompanying combining schedule of changes in assets and liabilities for the agency funds, schedule of general administrative revenues and expenditures, schedule of cash accounts, schedule of collateral pledged to secure the deposits of public funds, schedule of tax roll reconciliation-changes in property taxes receivables, schedule of tax collections and distributions, and County Treasurer's property tax schedule are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Fierro & Fierro, P.A.  
Las Cruces, New Mexico

June 24, 2010



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2009**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>ASSETS</b>			
Cash	\$ 4,179,603	\$ 6,391	\$ 4,185,994
Investments	50,000	-	50,000
Receivables, net of allowance for doubtful accounts:			
Accounts	97,491	50,144	147,635
Taxes	162,079	6,451	168,530
Intergovernmental	989,277	28,064	1,017,341
Interest	4,850	152	5,002
Prepaid expenses	51,600	492	52,092
Internal balances	140,948	(140,948)	-
Restricted:			
Investments	427,545	-	427,545
Capital assets:			
Land and construction in progress	1,264,323	6,000	1,270,323
Other capital assets, net of depreciation	13,562,189	52,417	13,614,606
Total capital assets	14,826,512	58,417	14,884,929
Total assets	20,929,905	9,163	20,939,068
<b>LIABILITIES</b>			
Accounts payable	291,441	3,448	294,889
Accrued salaries	14,154	2,621	16,775
Accrued interest payable	1,774	-	1,774
Deferred revenues	540,201	-	540,201
Long-term liabilities:			
Due within one year	190,517	2,307	192,824
Due in more than one year	905,282	192,890	1,098,172
Total liabilities	1,943,369	201,266	2,144,635
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	13,779,494	58,417	13,837,911
Restricted:			
Debt service	413,167	-	413,167
Unrestricted	4,793,875	(250,520)	4,543,355
Total net assets	\$ 18,986,536	\$ (192,103)	\$ 18,794,433

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

**STATE OF NEW MEXICO  
CATRON COUNTY**  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues			Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 1,193,395	\$ 134,957	\$ 939,249	\$ -	\$ (119,189)	\$ -	\$ (119,189)
Public safety	1,286,933	271,301	4,851,738	871,992	4,708,098	-	4,708,098
Public works	1,424,052	-	-	-	(1,424,052)	-	(1,424,052)
Culture and recreation	103,140	-	8,580	9,085	(85,475)	-	(85,475)
Health and welfare	577,730	-	72,050	612,465	106,785	-	106,785
Interest on long-term debt	12,030	-	-	-	(12,030)	-	(12,030)
Total governmental activities	4,597,280	406,258	5,871,617	1,493,542	3,174,137	-	3,174,137
Business-type Activities:							
Landfill	255,085	164,089	-	55,056	-	(35,940)	(35,940)
Total primary government	\$ 4,852,365	\$ 570,347	\$ 5,871,617	\$ 1,548,598	3,174,137	(35,940)	3,138,197
General Revenues:							
Gross receipts taxes					140,628	18,121	158,749
Property taxes, levied for general purposes					1,095,957	-	1,095,957
Gasoline and motor vehicle taxes					485,685	-	485,685
Cigarette taxes					1,556	-	1,556
Interest income					23,657	291	23,948
Insurance proceeds					6,608	-	6,608
Gain (Loss) on disposal of assets					1,504	-	1,504
Total general revenues					1,755,595	18,412	1,774,007
Transfers, net					(90,000)	90,000	-
Change in net assets					4,839,732	72,472	4,912,204
Net assets, beginning of year					14,146,804	(264,575)	13,882,229
Net assets, end of year					\$ 18,986,536	\$ (192,103)	\$ 18,794,433

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

**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO  
CATRON COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	General Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash	\$ 3,047,069	\$ -	\$ 1,132,534	\$ 4,179,603
Investments	50,000	-	-	50,000
Receivables, net of allowance for doubtful accounts:				
Accounts	-	-	97,491	97,491
Taxes	147,547	-	14,532	162,079
Intergovernmental	60,728	689,468	239,081	989,277
Interest	3,978	-	872	4,850
Interfund balances	1,181,821	-	-	1,181,821
Prepaid expenses	25,735	-	25,865	51,600
Restricted:				
Investments	-	-	427,545	427,545
Total assets	\$ 4,516,878	\$ 689,468	\$ 1,937,920	\$ 7,144,266
 <b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable	\$ 82,039	\$ 6,170	\$ 203,232	\$ 291,441
Accrued salaries	14,154	-	-	14,154
Deferred revenues	623,201	-	1,285	624,486
Interfund payable	-	824,318	216,555	1,040,873
Total liabilities	719,394	830,488	421,072	1,970,954
Fund Balances:				
Reserved:				
Debt service reported in non-major:				
Special revenue funds	-	-	413,167	413,167
Subsequent year's expenditures reported in non-major:				
Special revenue funds	-	-	421,900	421,900
Unreserved	3,797,484	(141,020)	-	3,656,464
Unreserved, reported in non-major:				
Special revenue funds	-	-	681,781	681,781
Total fund balances	3,797,484	(141,020)	1,516,848	5,173,312
Total liabilities and fund balances	\$ 4,516,878	\$ 689,468	\$ 1,937,920	\$ 7,144,266

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
RECONCILIATION OF THE BALANCE SHEET  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2009

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

Total fund balances governmental funds (page six)	\$	5,173,312
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		14,826,512
Recognition of property tax revenues reflected on full accrual basis within the statement of net assets. Governmental funds recognize property tax on the modified accrual basis.		84,285
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(1,095,799)
Accrued interest payable on long-term debt as of year end is reflected as such within the statement of net assets. Governmental funds recognize the interest as it becomes due.		<u>(1,774)</u>
Net assets of governmental activities (page four)	\$	<u><u>18,986,536</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	General Fund	Capital Projects Fund	Non-Major Funds	Total Governmental Funds
<b>Revenues:</b>				
Local effort taxes	\$ 1,076,079	\$ -	\$ 15,950	\$ 1,092,029
State shared taxes	564,264	-	63,605	627,869
Intergovernmental	4,986,737	912,507	1,465,915	7,365,159
Licenses and permits	26,020	-	-	26,020
Charges for services	39,918	-	186,230	226,148
Fines and forfeitures	-	-	60,374	60,374
Interest income	30,769	-	5,903	36,672
Miscellaneous	76,303	-	12,510	88,813
<b>Total revenues</b>	<b>6,800,090</b>	<b>912,507</b>	<b>1,810,487</b>	<b>9,523,084</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,174,163	-	18,143	1,192,306
Public safety	729,689	-	557,244	1,286,933
Public works	1,424,052	-	-	1,424,052
Health and welfare	278,251	13,175	286,304	577,730
Culture and recreation	48,969	50,760	3,411	103,140
Capital outlay	152,208	1,007,514	1,273,565	2,433,287
<b>Debt service:</b>				
Principal	-	-	133,264	133,264
Interest	-	-	12,304	12,304
<b>Total expenditures</b>	<b>3,807,332</b>	<b>1,071,449</b>	<b>2,284,235</b>	<b>7,163,016</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,992,758</b>	<b>(158,942)</b>	<b>(473,748)</b>	<b>2,360,068</b>
<b>Other Financing Sources (Uses):</b>				
Loan proceeds	-	-	359,492	359,492
Transfer in	-	-	27,833	27,833
Transfer (out)	(117,833)	-	-	(117,833)
<b>Total other financing sources (uses)</b>	<b>(117,833)</b>	<b>-</b>	<b>387,325</b>	<b>269,492</b>
<b>Net change in fund balances</b>	<b>2,874,925</b>	<b>(158,942)</b>	<b>(86,423)</b>	<b>2,629,560</b>
<b>Fund balances, beginning of year</b>	<b>922,559</b>	<b>17,922</b>	<b>1,603,271</b>	<b>2,543,752</b>
<b>Fund balances, end of year</b>	<b>\$ 3,797,484</b>	<b>\$ (141,020)</b>	<b>\$ 1,516,848</b>	<b>\$ 5,173,312</b>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO  
THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

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

Net change in fund balances total governmental fund (page eight)	\$	2,629,560
Governmental funds report capital outlay as expenditures in the amount of \$2,433,287; however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The County has not determined the current year depreciation expense. The net adjustment is \$2,433,287.		2,433,287
Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred revenue in the funds.		3,928
Accrued interest expense not due within thirty days after year end is not considered in the current period and is not reported in the governmental funds. The decrease of the accrued interest liability from the previous year reduces the interest expense within the statement of activities.		274
The issuance of long-term debt provides current resources to the governmental funds; however, it is not recorded an income within the statement of activities.		(359,492)
The repayment of principal of long-term consumes the current financial resources of governmental funds; however, it is not recorded as an expense within the statement of activities.		133,264
Increase in the compensated absences liability is reflected as an expense within the statement of activities and the expense does not use a current financial resource and is not recorded in the governmental funds statement.		<u>(1,089)</u>
Net change in governmental activities net assets - government-wide financial statements (page five)	\$	<u><u>4,839,732</u></u>

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



**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget Over (Under)
<b>Revenues:</b>				
Local effort taxes	\$ 1,062,731	\$ 1,062,731	\$ 1,075,023	\$ 12,292
State shared taxes	573,500	573,500	562,906	(10,594)
Intergovernmental	1,355,057	4,031,971	4,775,714	743,743
Licenses and permits	41,700	41,700	26,020	(15,680)
Charges for services	34,500	34,500	26,038	(8,462)
Interest income	92,000	92,000	32,961	(59,039)
Miscellaneous	40,351	230,430	273,632	43,202
<b>Total revenues</b>	<b>3,199,839</b>	<b>6,066,832</b>	<b>6,772,294</b>	<b>705,462</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,258,755	1,506,134	1,375,640	130,494
Highway and streets	713,113	713,113	1,432,380	(719,267)
Public safety	747,907	747,907	724,816	23,091
Health and welfare	318,850	325,350	310,597	14,753
Culture and recreation	56,680	56,680	48,591	8,089
Capital outlay	524,409	3,514,227	129,087	3,385,140
<b>Total expenditures</b>	<b>3,619,714</b>	<b>6,863,411</b>	<b>4,021,111</b>	<b>2,842,300</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(419,875)</b>	<b>(796,579)</b>	<b>2,751,183</b>	<b>3,547,762</b>
<b>Other Financing Sources (Uses):</b>				
Transfers in	50,000	100,000	-	(100,000)
Transfers (out)	(141,041)	(221,041)	(117,833)	103,208
<b>Total other financing sources (uses)</b>	<b>(91,041)</b>	<b>(121,041)</b>	<b>(117,833)</b>	<b>3,208</b>
<b>Net change in cash balance</b>	<b>(510,916)</b>	<b>(917,620)</b>	<b>2,633,350</b>	<b>3,550,970</b>
Cash balance, beginning of year	1,189,193	1,189,193	1,189,193	-
Cash advanced to other funds	-	-	(775,474)	(775,474)
<b>Cash balance, end of year</b>	<b>\$ 678,277</b>	<b>\$ 271,573</b>	<b>\$ 3,047,069</b>	<b>\$ 2,775,496</b>

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

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND**  
**JUNE 30, 2009**

	<u>Landfill</u> <u>Enterprise Fund</u>
<b>Assets:</b>	
Current assets:	
Cash	\$ 6,391
Receivable (net of allowance):	
Accounts	50,144
Taxes	6,451
Intergovernmental	28,064
Interest	152
Prepaid expenses	492
Non-Current assets:	
Capital assets:	
Land	6,000
Improvements	13,541
Equipment	409,824
Less accumulated depreciation	<u>(370,948)</u>
Total capital assets, net	<u>58,417</u>
Total assets	<u>150,111</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	3,448
Accrued salaries	2,621
Due to other funds	140,948
Current maturities of:	
Compensated absences	<u>2,307</u>
Total current liabilities	149,324
Non-Current liabilities:	
Compensated absences	2,890
Landfill closure and post-closure	<u>190,000</u>
Total non-current liabilities	<u>192,890</u>
Total liabilities	342,214
<b>Net assets:</b>	
Invested in capital assets	58,417
Unrestricted (deficit)	<u>(250,520)</u>
Total net assets	<u>\$ (192,103)</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2009

	Landfill Enterprise Fund
Operating Revenues:	
Charges for services	\$ 164,089
Operating Expenses:	
General operating	242,500
Depreciation	12,585
Total operating expenses	255,085
Operating (loss)	(90,996)
Non-Operating Revenues (Expenses):	
State shared taxes	18,121
Intergovernmental	55,056
Interest income	291
Total non-operating revenues (expenses)	73,468
(Loss) before transfers	(17,528)
Transfers:	
Transfer in	90,000
Change in net assets	72,472
Net assets (deficit), beginning of year	(264,575)
Net assets (deficit), end of year	\$ (192,103)

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Landfill Enterprise Fund
Cash Flows From Operating Activities:	
Cash received from customers	\$ 157,889
Cash payments to suppliers for goods and services	(102,315)
Cash payments to employees for services	(138,260)
Net cash (used) by operating activities	(82,686)
Cash Flows From Non-Capital and Financing Activities:	
Cash received from state shared taxes	11,670
Cash received from intergovernmental sources	26,992
Net transfers in (out)	90,000
Net cash provided by non-capital and related financing activities	128,662
Cash Flows From Capital and Related Financing Activities:	
Acquisition of capital assets	(45,400)
Cash Flows From Investing Activities:	
Interest income	283
Net increase in cash	859
Cash and cash equivalents, beginning of year	5,532
Cash and cash equivalents, end of year	\$ 6,391
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
Operating (loss)	\$ (90,996)
Adjustment to Reconcile Operating Loss to Net Cash Provided by Operating Activities:	
Depreciation	12,585
Changes in Assets and Liabilities:	
(Increase) in accounts receivable	(6,200)
(Increase) in prepaid expenses	(492)
Increase in accounts payable	682
Increase in accrued salaries	439
Increase in compensated absences	1,296
Total adjustments	8,310
Net cash (used) by operating activities	\$ (82,686)

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

## **FIDUCIARY FINANCIAL STATEMENT**

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2009

	<u>Agency Funds</u>
<b>Assets:</b>	
Cash	\$ 10,155
Taxes receivable	<u>53,146</u>
Total assets	<u>63,301</u>
 <b>Liabilities:</b>	
Deposits held for others	10,155
Due to other taxing units - future collections	<u>53,146</u>
Total liabilities	<u>63,301</u>
 <b>Net assets</b>	 <u><u>\$ -</u></u>

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

## **NOTES TO THE FINANCIAL STATEMENTS**



**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

With the exception of depreciation expense and accumulated depreciation in the governmental activities and the recording of the landfill closure and post-closure liabilities within the business-type activities, the financial statements of Catron County, New Mexico (County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

**A. Reporting Entity**

The County was established by the laws of the Territory of New Mexico of 1876, under the provisions of the act now referred to as Sections 4-9-1 and 4-9-2 of the New Mexico Statutes Annotated, 1978 Compilation. The County operates under the commission-manager form of government and provides the following services as authorized in the grant of powers: public safety (sheriff, fire, emergency medical, etc.), public works (highways and streets), sanitation, health and welfare services, culture and recreation, public improvements, planning and zoning, and general administration services.

The County's basic financial statements include all activities and accounts of the County's "financial reporting entity."

The financial reporting entity consists of the primary government, and any another organization for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, activities, or level of services performed or provided by the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Based on this criterion, there are no component units of the County.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been eliminated 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.

The government-wide 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; (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment; and (3) grants and contributions that are restricted to meeting the capital requirements of a particular function or activity. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted. Revenues that are not classified as program revenues, including taxes and other items are reported instead as *general revenues*. The net cost (by function of governmental activity) is normally covered by general revenues (property, sales, intergovernmental revenues, interest income, etc.).

Separate financial statements are provided for the governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are detailed in the combining section of the statements.

The County fiduciary funds (which have been refined and narrowed in scope) are presented in the fund financial statements by type. Since, by definition, these assets are being held of the benefit of a third part (other local governments and individuals) and cannot be used to address activities or obligations of the government, these funds are not incorporated into government-wide statements.

The government-wide focus is more on the sustainability of the County, as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category). Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, includes property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes recognized in the fiscal year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Derived tax revenues (i.e., sales taxes) are recognized in the period when the exchange transaction on the tax is imposed occurs or when the resources are received, whichever occurs first. 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. For this purpose, the County 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 made.

Ad valorem taxes and sales tax revenues 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. Licenses and permits, charges for services, fines and forfeitures, contributions, and miscellaneous revenues are recorded as revenues when received in cash, as the resulting receivable is immaterial. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary fund-type operating statements present increases and decreases (e.g., revenues and expenses) in net total assets. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The principal operating revenue of the County's sanitary landfill fund is charges to customers for sales and services, and operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

Proprietary funds financial statements of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, *Accounting Principles Board Opinions* and *Accounting Research Bulletins*, unless those pronouncements conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this limitation. The County has elected not to follow subsequent private-sector guidance.

The County reports the following major governmental funds:

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

The *capital projects fund* accounts for funds from federal, state and local sources for capital projects throughout the County. This includes co-operative agreements with the New Mexico Department of Transportation to construct or improve selected projects.

The County maintains twenty-nine other individual governmental funds that are considered nonmajor funds, and are classified as special revenue funds. A description of each non-major governmental fund is as follows:

The *farm and range fund* accounts for the maintenance, improvements and animal control of federal land under Section 10 of the Taylor Grazing Act of 6-28-34. The Taylor Grazing Co-Op Agreement provides funds that are to be used strictly for the maintenance, improvements, and animal control of this federal land. The authority for the fund is given by NMSA 6-11-6.

The *recreation fund* accounts for the operations and maintenance of county owned recreation facilities. Financing is provided by the County's share of cigarette tax. State law requires the use of these cigarette taxes be used for recreation purposes. The authority for the fund is given by NMSA 7-12-15.

The *county clerk's equipment fund* accounts for funds collected to be used for purchase of special equipment. The authority for the fund is given by NMSA 14-8-12.2B.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The *airport fund* accounts for federal, state and local match revenues and expenditures for the Glenwood and Reserve airports within the County. The authority for the fund is given by NMSA 3-39-1.

The *reappraisal fund* accounts for the proceeds from property taxes and the one-percent administrative fees assessed by county treasurers to revenue recipients. The authority for the fund is given by NMSA 7-38-38.1.

The *county fairgrounds fund* accounts for the revenues and expenditures for the operations at the fairgrounds. The authority for the fund is given by NMSA 33-3-25.

The *ambulance fund* accounts for the operations and maintenance of the County ambulance. The authority for the fund is given by NMSA 5-1-1.

The *emergency medical services fund* accounts for the operations and maintenance of medical service equipment in the County. The authority for the fund is given by NMSA 24-10A-1 to 24-10A-10.

The *indigent fund* accounts for the revenues received from state gross receipts taxes for hospital service for indigent citizens of the County. The authority for the fund is given by NMSA 7-20E-9.

The *Medicaid fund* accounts for monies transferred to provide for Medicaid services. The authority for the fund is given by Title XIX of the Social Security Act, as amended.

The *enhanced 911 fund* accounts for the funding of a regional 911 system. The authority for the fund is given by NMSA 63-9D-1 to 9.

The *20 communities fund* accounts for state revenues and the related expenditures under the Landowner Assistance Program. The authority for the fund is given by County resolution.

The *corrections fund* accounts for revenues and expenditures for the operation and maintenance of the County's corrections facilities. The authority for the fund is given by NMSA 35-14-11.

The *law enforcement fund* accounts for the County's state distribution of Law Enforcement Protection funds to be used for the repair and /or replacement of law enforcement equipment. The authority for the fund is given by NMSA 20-13-1.

The *confiscated drugs fund* accounts for the revenues allocated to this fund from confiscated drug money. The authority for the fund is given by NMSA 30-31.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The *COPS grant fund* accounts for the federal grant revenues from the Department of Justice and the related public safety expenditures. The authority for the fund is given by County resolution.

The *legal fund* accounts for donations to the County to help defray the cost of legal expenditures. The authority for the fund is given by County resolution.

The *Quemado fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

The *Datil fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

The *Glenwood fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

The *Pie Town fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

The *Rancho Grande fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

The *Luna fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

The *Mogollon fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

The *Apache Creek fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

The *Horse Mountain fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

The *Quemado Lake fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

The *Coyote Creek fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Measurement Focus, Basis of Accounting,

**C. and Financial Statement Presentation (continued)**

The *Wild Horse fire fund* accounts for state revenues allocated to this fire district and the expenditures there from. The authority for the fund is given by NMSA 59A-53-1.

The County maintains one individual enterprise fund that is considered a non-major fund. A description of the non-major enterprise fund is as follows:

The *landfill fund* accounts for the provision of solid waste disposal to the County residents. All activities necessary to provide such services are accounted for in this fund, but not limited to; administration, operations, maintenance, financing, and related debt service, billing and collection.

**D. Budgets**

Budgets for all funds are prepared by management and approved by the local commission and the New Mexico Department of Finance and Administration. The County Manager is responsible for preparing the budget from requests submitted by elected officials and department heads. The appropriated budget is prepared by line item within object class, program, department and fund; revenues expected to be available are estimated to provide for balanced budgeting. The comprehensive budget package is brought before the County Commissioners for approval by resolution. The proposed budget is then submitted by June 1<sup>st</sup> to the New Mexico Department of Finance and Administration Local Government Division (DFA) for approval. DFA certifies a pending budget by July 1<sup>st</sup> with final certification of the budget by the first Monday of September.

The expenditure section of the budget, once adopted, is legally binding. Based on the final certified budget submitted, DFA certifies the allowable tax rates for property taxes in September. These budgets are prepared on the non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds are reappropriated in the budget of the subsequent fiscal year. The budget process in the state of New Mexico requires that the beginning cash balance be utilized to fund deficit budgets appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is, therefore presented as a reserved portion of fund balance.

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

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

Investments in the County's cash and certificates of deposit are stated at cost, which approximates fair value. State statutes authorize the County to invest in certificates of deposit, obligations of the state and the U.S. government, and the New Mexico State Treasurer's investment pool. Cash and certificates of deposit are reported at book value. All other investments are carried at fair market value using quoted market prices. Interest income, realized gains and losses on investment transactions, and amortization of premiums/discounts on investment purchases are included for financial statement purposes as investment income and are allocated to participating funds based on the specific identification of the source of funds for a given investment.

**2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivable or interfund payable. Long-term 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. The County is responsible for assessing, collecting and distributing property taxes for other governmental entities and its own operational and debt service purposes. Property taxes are assessed on November 1<sup>st</sup> of each year based on the assessed value on the prior January 1<sup>st</sup> and are payable in two equal installments by November 10<sup>th</sup> of the year in which the tax bill is prepared and by April 10<sup>th</sup> of the following year.

Property taxes are delinquent if not paid by December 10<sup>th</sup> and May 10<sup>th</sup>. Taxes on real property are a lien from January 1<sup>st</sup> of the year for which the taxes are imposed. Collections and remittance of County property taxes are accounted for in the County Treasurer Agency Funds. Therefore, revenues for budgetary purposes are recorded when taxes are distributed to the general operating and debt service funds. The billings are considered past due 60 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

**3. Inventories and Prepaid Items**

Inventories are recorded using first-in, first-out cost method. The costs of inventories in governmental fund types are recorded as expenditures when purchased, therefore, the inventory amount is not available for appropriation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.



**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Liabilities, and Net Assets or Equity (continued)**

**4. Interfund Activity**

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

**5. Capital Assets**

Capital assets, which include property, plant, and equipment, infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Prior to June 17, 2005, the County defined capital assets as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of one year. Effective June 17, 2005, in accordance with state statutes, the County changed its capitalization threshold to include only assets with a cost of \$5,000 or more. All assets capitalized prior to June 17, 2005, which are property of the County; remain on the financial and accounting records of the County.

Purchased computer software is recorded at historical cost. Purchased or constructed assets are recorded at historical cost or estimated cost. Donated capital assets are recorded as estimated fair market value at the date of the donation. In accordance with GASB No. 34, the County is required to report newly acquired or constructed general infrastructure.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets contracted. There was no interest expense incurred by the County during the current year. No interest was included as part of the cost of capital assets under construction.

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

<u>Assets</u>	<u>Years</u>
Infrastructure	10-80
Buildings and other improvements	15-40
Machinery and equipment (including computer software)	5-10

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Liabilities, and Net Assets or Equity (continued)**

**6. 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 become payable from available, expendable resources. A liability for amounts earned but not payable from available, expendable resources is reported in the government-wide financial statements.

County employees may accumulate limited amounts of sick leave. For governmental funds, expenditures are recognized during the period in which sick leave costs become payable from available, expendable resources. A liability for amounts earned but not payable from available, expendable resources is reported in the government-wide financial statements.

**7. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**8. Net Assets**

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as follows:

*Investment in capital assets, net of related debt* – This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

*Restricted net assets* – This category reflects the portion of net assets that have third party limitations on their use.

*Unrestricted net assets* – This category reflects net assets of the County, not restricted for any project or other purpose.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Assets, Liabilities, and Net Assets or Equity (continued)**

**9. Fund Equity Reservation and Designations**

In the fund financial statements, funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted. Additionally, designations represent tentative managerial plans that are subject to change. Fund equity was reserved or designated for:

*Reserved for debt service* – Represents the amounts that are required to be used for future retirement of long-term debt.

*Reserved for subsequent year's expenditures* – Represents amounts, other than carryover expenditures, which are required to be designated for subsequent year's expenditures.

*Unreserved* – Amounts that have not been reserved or designated for any purpose. These funds are available for unrestricted usage by the County.

**10. Cash Flows**

For the purpose of the statement of cash flows, the County considers all highly liquid investments, including restricted cash with maturity of three months or less when purchased, to be cash equivalents.

**11. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. CASH DEPOSITS**

**Cash**

New Mexico State Statutes provide authoritative guidance regarding the deposit of cash and idle cash. Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more bank 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 of America 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.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**2. CASH DEPOSITS (continued)**

*Cash (continued)*

Idle cash may be invested in a wide variety of instruments, including money market accounts, certificates of deposit, the New Mexico State Treasurer's investment pool, or 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.

*Cash Deposited With Financial Institutions*

The County maintains cash at First State Bank, which has a branch located in Reserve, New Mexico. The County's deposits are carried at cost.

As of June 30, 2009, the amount of cash reported on the financial statements differs from the amount on deposit with the various institutions because of transactions in transit and outstanding checks. The locations and amounts deposited are as follows:

	Per Institution	Reconciling Items	Per Financial Statements
First State Bank	\$ 4,653,111	\$ (456,962)	\$ 4,196,149

The amounts reported as cash for the primary government within the financial statement is displayed as:

Statement of Net Assets:	
Cash	\$ 4,185,994
Statement of fiduciary assets and liabilities - agency funds	10,155
Total cash reported on financial statements	\$ 4,196,149

Except for items in transit, the carrying value of deposits by the respective depositories equated to the carrying value by the County. All deposits are collateralized with eligible securities, as described by New Mexico State Statute, in amounts equal to at least 50% of the County carrying value of the deposits (demand and certificates of deposit). Such collateral, as permitted by the state statutes is held in each respective depository bank's collateral pool at a Federal Reserve Bank, or member bank other than the depository bank, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds with the exception of deposit insurance provided by the Federal Deposit Insurance Corporation.

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**2. CASH DEPOSITS (continued)**

*Cash Deposited With Financial Institutions (continued)*

	First State Bank
Checking accounts	\$ 2,703,111
Certificates of deposit	1,950,000
Total deposits	4,653,111
FDIC coverage	(500,000)
Uninsured public funds	\$ 4,153,111
Pledged securities	\$ 3,181,378
Collateral requirements (50% of uninsured public funds)	2,076,556
Over (under) collateralization	\$ 1,104,822

A detailed listing of the pledged collateral is contained in the supplemental financial information section of this report. According to the Federal Deposit Insurance Corporation, public unit deposits are owned by the public unit. Time deposits, savings deposits and interest bearing money market accounts at 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.

*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 County does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$4,153,111 of the County’s bank balances of \$4,653,111 was exposed to custodial credit risk as follows:

	First State Bank
Uninsured and collateral held by pledging bank's trust department or agent not in the County's name.	\$ 4,153,111

**3. INVESTMENTS**

Investments at June 30, 2009, were as follows:

Agency	Investment	Maturity	Fair Market Value
NM State Treasurer	Investment Pool	N/A	\$ 50,000
Bank of Albuquerque	U.S. Treasury Fund	N/A	427,545
			\$ 477,545

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**3. INVESTMENTS (continued)**

The investment amounts reported for the primary government within the financial statements are displayed as:

Statement of Net Assets:		
Investments	\$	50,000
Restricted investments		<u>427,545</u>
	\$	<u>477,545</u>

*Cash Deposited With The New Mexico State Treasurer*

New Mexico State Statutes authorize the creation of the local short-term investment fund in the New Mexico State Treasury. The statutes authorize the state treasurer to pool monies received from local public bodies for investment purposes with other public monies under his control. The purpose of the local short-term fund is to provide an investment alternative for local political subdivisions to realize the maximum return consistent with safe and prudent management. As of June 30, 2009, the combined balance of the County's investment within the short-term investment fund was \$50,000. The cost basis and the fair market basis of the deposit are equal to \$50,000 (amount of investment).

The investments are valued at fair value based on quoted market prices as of the valuation date. The state treasurer's Local Government Investment Pool is not SEC registered. The fund is rated AAA<sub>m</sub> by Standards and Poor's. Section 6-10-10.1, 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 fund in securities that are issued by the United States government or by its departments or agencies and are either direct obligations of the United States or are backed by the full faith and credit of the United States government or are agencies sponsored by the United States government. 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 Local Government Investment Pool does not have unit shares. Per section 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the state treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts were invested. Participation in the Local Government Investment Pool is voluntary. The average yield at June 30, 2009, was 2.85%.

*Interest Rate Risk* – 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 portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investments to rising interest rates. In general, the longer the WAM, the more susceptible the fund is to rising interest rates. The portfolio's weighted average maturity is 43-day WAM.

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

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**3. INVESTMENTS (continued)**

*Other Investments*

The County has invested idle cash held for the purchase of fire equipment in the amount of \$416,810 at the Bank of Albuquerque, N.A., Trust Department; Albuquerque, New Mexico. Additionally, the County has invested \$10,735 for debt service with the same bank.

The cash is invested in a U.S. Treasury fund. The fund is composed of U.S. Treasury notes and U.S. T-Bills. The market value at June 30, 2009, reflected by the trust department is \$427,545. The fund is not subject to categorization.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2009, consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Charges for services	\$ 324,970	\$ 95,144
Allowance for doubtful accounts	(227,479)	(45,000)
Total	<u>\$ 97,491</u>	<u>\$ 50,144</u>

The County's policy is to provide for uncollectible accounts based upon expected defaults.

**5. TAXES RECEIVABLE**

Amounts due from local effort and state shared taxes at June 30, 2009, consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Property taxes	\$ 107,722	\$ -
State shared taxes	54,357	6,451
Total	<u>\$ 162,079</u>	<u>\$ 6,451</u>

**6. INTERGOVERNMENTAL RECEIVABLES**

Amounts due from other governments at June 30, 2009, consisted of the following:

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**6. INTERGOVERNMENTAL RECEIVABLES (continued)**

	Governmental Activities	Business-Type Activities
Federal grants	\$ 158,100	\$ -
State grants	831,177	28,064
Total	\$ 989,277	\$ 28,064

**7. INTEREST RECEIVABLE**

Amounts due from county investments interest at June 30, 2009, consisted of the following:

	Governmental Activities	Business-Type Activities
Interest on County investments	\$ 4,850	\$ 152

**8. PROPERTY TAX**

A tax is imposed upon all property located within Catron County subject to valuation for property taxation purposes under Article 36, Chapter 7 NMSA 1978. By April 1<sup>st</sup> of each year, the County assessor mails a notice to each property owner informing him of the net value of his property that has been valued for property evaluation purposes by the assessor.

A property owner may protest the value or classification determined for his property for property taxation purposes, the allocation of value of his property to a particular governmental unit, or a denial of a claim for an exemption, or for a limitation on increase in value. No later than September 1<sup>st</sup> of each year, the secretary of finance and administration shall, by written code, set the property tax rates for the governmental units sharing in the tax in accordance with the property tax code. After receipt of the rate-setting order and the order imposing the tax, but no later than October 1<sup>st</sup> of each tax year, the County assessor shall prepare a property tax schedule for all property subject to property taxation in the County. A copy of the property tax schedule prepared by the assessor shall be delivered to the County treasurer on October 1<sup>st</sup> of each tax year.

Upon receipt of the property tax schedule, the County treasurer shall prepare and mail property tax bills. Tax bill shall be mailed no later than November 1<sup>st</sup> of each tax year.

Property taxes are payable to the County treasurer in two equal installments due on November 10th of the year in which the tax bill was prepared and mailed, and on April 10th of the following year. Property taxes that are not paid within thirty days after the date on which they are due are delinquent. Delinquent taxes are subject to penalties and interest. A lien against the real property for taxes is effective from January 1st of the tax year that the taxes are imposed.



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**8. PROPERTY TAX (continued)**

The lien runs in favor of the state and secures the payment of taxes on real property and any penalty and interest that may become due. The lien continues until the taxes and any penalty and interest are paid.

The County treasurer has the responsibility and authority for collection of taxes and any penalties or interest due under the property tax code. The County Treasurer distributes the receipts from collected taxes to each government unit in an amount and in a manner determined in accordance with the law and with the regulation of the Department of Finance and Administration.

The County is permitted to levy taxes for general operating purposes up to \$11.85 per \$1,000 of taxable value for both residential and non-residential property, taxable value being defined as one third of the fully assessed value. In addition, the County is allowed to levy taxes for payments of bond principal and interest in amounts approved by County voters.

The County's operating tax rate to finance general government services for 2008 was \$9.325 per \$1,000 for non-residential property and \$11.502 per \$1,000 for residential property. As of June 30, 2009, the following amounts of property taxes were reflected in the respective financial statements:

	Statement of Net Assets	Agency Funds
Property tax receivable	\$ 107,722	\$ 53,146

**9. CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2009:

	Balance 06/30/08	Increases	Decreases	Balance 06/30/09
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 682,087	\$ -	\$ -	\$ 682,087
Construction in progress	140,266	574,310	(132,340)	582,236
Total capital assets, not being depreciated	822,353	574,310	(132,340)	1,264,323
Other capital assets, being depreciated:				
Buildings	2,562,348	374,118	-	2,936,466
Improvements	5,505,954	-	-	5,505,954
Equipment	3,502,570	1,617,199	-	5,119,769
Total other capital assets, being depreciated	11,570,872	1,991,317	-	13,562,189

**STATE OF NEW MEXICO**  
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**9. CAPITAL ASSETS (continued)**

	Balance 06/30/08	Increases	Decreases	Balance 06/30/09
Less accumulated depreciation for:				
Buildings	-	-	-	-
Improvements	-	-	-	-
Equipment	-	-	-	-
Total accumulated depreciation	-	-	-	-
Other capital assets, net	11,570,872	1,991,317	-	13,562,189
Total capital assets, net	<u>\$ 12,393,225</u>	<u>\$ 2,565,627</u>	<u>\$ (132,340)</u>	<u>\$ 14,826,512</u>

The County did not record depreciation expense for the year ended June 30, 2009.

	Balance 06/30/08	Increases	Decreases	Balance 06/30/09
Business-Type Activity:				
Capital assets, not being depreciated:				
Land	\$ 6,000	\$ -	\$ -	\$ 6,000
Other capital assets, being depreciated:				
Improvements	13,541	-	-	13,541
Equipment	364,424	45,400	-	409,824
Total other capital assets, being depreciated	377,965	45,400	-	423,365
Less accumulated depreciation for:				
Improvements	(3,522)	(542)	-	(4,064)
Equipment	(354,841)	(12,043)	-	(366,884)
Total accumulated depreciation	(358,363)	(12,585)	-	(370,948)
Other capital assets, net	19,602	32,815	-	52,417
Total capital assets, net	<u>\$ 25,602</u>	<u>\$ 32,815</u>	<u>\$ -</u>	<u>\$ 58,417</u>

**10. LONG-TERM OBLIGATIONS**

Changes in governmental activities obligations during the year ended June 30, 2009, was as follows:

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**10. LONG-TERM OBLIGATIONS (continued)**

	Balance 06/30/08	Additions	Deletions	Balance 06/30/09	Amounts Due Within One Year
Governmental Activities:					
Notes payable	\$ 820,790	\$ 359,492	\$ (133,264)	\$ 1,047,018	\$ 161,249
Compensated absences	47,692	60,341	(59,252)	48,781	29,268
	<u>\$ 868,482</u>	<u>\$ 419,833</u>	<u>\$ (192,516)</u>	<u>\$ 1,095,799</u>	<u>\$ 190,517</u>

**Note Payable – New Mexico Finance Authority #1**

On April 23, 2004, the County borrowed \$70,000 from the New Mexico Finance Authority for the purchase of a water tank and cover from the Cruzville/Apache Creek/Aragon Volunteer Fire Department. The loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2014. The annual payment is approximately \$7,000; does not accrue interest but does have a .250% annual administrative charge. The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 7,009	\$ -	\$ 7,009
2011	7,026	-	7,026
2012	7,044	-	7,044
2013	7,061	-	7,061
2014	7,079	-	7,079
	<u>\$ 35,219</u>	<u>\$ -</u>	<u>\$ 35,219</u>

**Note Payable – New Mexico Finance Authority #2**

In June 2000, the County borrowed \$150,000 from the New Mexico Finance Authority for the purchase of fire equipment and a building for the Cruzville/Apache Creek/Aragon Volunteer Fire Department. The loan is repaid from the annual distribution of the fire protection funds received from the state of New Mexico. The note matures May 1, 2011. The annual payment is approximately \$18,950 with accrued interest at rates between 2.00% and 3.00% per annum and an administrative charge. The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 17,982	\$ 966	\$ 18,948
2011	18,497	498	18,995
	<u>\$ 36,479</u>	<u>\$ 1,464</u>	<u>\$ 37,943</u>

**STATE OF NEW MEXICO**  
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**10. LONG-TERM OBLIGATIONS (continued)**

*Note Payable – New Mexico Finance Authority #3*

On May 17, 2002, the County borrowed \$120,000 from the New Mexico Finance Authority for the acquisition of a fire station for the Horse Mountain Volunteer Fire Department. The loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2012. The annual payment is approximately \$13,200 with accrued interest at rates between 1.820% and 4.350% per annum and an administrative charge. The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 12,489	\$ 654	\$ 13,143
2011	12,724	451	13,175
2012	12,974	233	13,207
	<u>\$ 38,187</u>	<u>\$ 1,338</u>	<u>\$ 39,525</u>

*Note Payable – New Mexico Finance Authority #4*

On March 14, 2003, the County borrowed \$169,667 from the New Mexico Finance Authority for the construction of a fire station for the Coyote Creek Volunteer Fire Department. The loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2013. The annual payment is approximately \$17,100; does not accrue interest but does have a .250% annual administrative charge. The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 17,030	-	\$ 17,030
2011	17,073	-	17,073
2012	17,116	-	17,116
2013	17,158	-	17,158
	<u>\$ 68,377</u>	<u>\$ -</u>	<u>\$ 68,377</u>

*Note Payable – New Mexico Finance Authority #5*

On July 14, 2006, the County borrowed \$277,778 from the New Mexico Finance Authority for the purchase of a fire truck for the Cruzville Apache Creek Volunteer Fire Department. The loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2017. The annual payment is approximately \$32,800 with accrued interest at rates between 3.28% and 3.870% and a .250% annual administrative charge. The following is a schedule of the annual payments required for the note:

**STATE OF NEW MEXICO**  
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**10. LONG-TERM OBLIGATIONS (continued)**

*Note Payable – New Mexico Finance Authority #5 (continued)*

Due in Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 26,400	\$ 6,258	\$ 32,658
2011	27,110	5,617	32,727
2012	27,850	4,946	32,796
2013	28,625	4,242	32,867
2014	29,449	3,493	32,942
2015-2017	93,804	5,485	99,289
	<u>\$ 233,238</u>	<u>\$ 30,041</u>	<u>\$ 263,279</u>

*Note Payable – New Mexico Finance Authority #6*

In June 2001, the County borrowed \$65,000 from the New Mexico Finance Authority for the purchase of a fire pumper for the Quemado Volunteer Fire Department. The loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2012. The annual payment is approximately \$6,570; does not accrue interest but does have a .250% annual administrative charge. The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 6,554	-	\$ 6,554
2011	6,570	-	6,570
2012	6,586	-	6,586
	<u>\$ 19,710</u>	<u>\$ -</u>	<u>\$ 19,710</u>

*Note Payable – New Mexico Finance Authority #7*

In May 2002, the County borrowed \$55,000 from the New Mexico Finance Authority for the construction of a fire substation for the Quemado Volunteer Fire Department. The loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2012. The annual payment is approximately \$5,500; does not accrue interest but does have a .250% annual administrative charge. The following is a schedule of the annual payments required for the note:

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**10. LONG-TERM OBLIGATIONS (continued)**

*Note Payable – New Mexico Finance Authority #7 (continued)*

Due in Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 5,534	\$ -	\$ 5,534
2011	5,548	-	5,548
2012	5,562	-	5,562
	<u>\$ 16,644</u>	<u>\$ -</u>	<u>\$ 16,644</u>

*Note Payable – New Mexico Finance Authority #8*

In June 2001, the County borrowed \$140,000 from the New Mexico Finance Authority for the acquisition of a fire station for the Rancho Grande Volunteer Fire Department. The loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2012. The annual payment is approximately \$15,800 with accrued interest at rates between 1.50% and 4.500% per annum and an administrative charge. The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 14,845	\$ 955	\$ 15,800
2011	15,179	658	15,837
2012	15,536	340	15,876
	<u>\$ 45,560</u>	<u>\$ 1,953</u>	<u>\$ 47,513</u>

*Note Payable – New Mexico Finance Authority #9*

On April 23, 2004, the County borrowed \$158,819 from the New Mexico Finance Authority for the purchase of a fire pumper vehicle for the Wild Horse Volunteer Fire Department. The loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2017. The annual payment is approximately \$13,800 with accrued interest at rates between .900% and 3.606% per annum and a .25% administrative charge. The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 11,921	\$ 1,744	\$ 13,665
2011	12,103	1,592	13,695
2012	12,306	1,420	13,726
2013	12,528	1,229	13,757
2014	12,771	1,018	13,789
2015-2017	39,944	1,618	41,562
	<u>\$ 101,573</u>	<u>\$ 8,621</u>	<u>\$ 110,194</u>

**STATE OF NEW MEXICO**  
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**10. LONG-TERM OBLIGATIONS (continued)**

*Note Payable – New Mexico Finance Authority #10*

On May 11, 2003, the County borrowed \$80,000 from the New Mexico Finance Authority for the purchase of fire equipment for the Glenwood Volunteer Fire Department. The loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2013. The annual payment is approximately \$8,100 with accrued interest at rates between .900% and 3.606% per annum and a .25% administrative charge. The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 8,044	\$ 65	\$ 8,109
2011	8,078	51	8,129
2012	8,115	35	8,150
2013	8,152	18	8,170
	<u>\$ 32,389</u>	<u>\$ 169</u>	<u>\$ 32,558</u>

*Note Payable – New Mexico Finance Authority #11*

On June 23, 2006, the County borrowed \$75,000 from the New Mexico Finance Authority for infrastructure for the Datil Volunteer Fire Department. The loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2017. The annual payment is approximately \$7,500 and does not accrue interest, but does have a .250% annual administrative charge. The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ending June 30:	Principal	Interest	Total
2010	\$ 7,453	\$ -	\$ 7,453
2011	7,472	-	7,472
2012	7,490	-	7,490
2013	7,509	-	7,509
2014	7,528	-	7,528
2015-2017	22,698	-	22,698
	<u>\$ 60,150</u>	<u>\$ -</u>	<u>\$ 60,150</u>

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**10. LONG-TERM OBLIGATIONS (continued)**

Note Payable – New Mexico Finance Authority #12

On December 12, 2008, the County borrowed \$76,125 from the New Mexico Finance Authority for the purchase of a fire pumper for the Mogollon Volunteer Fire Department. The loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2019. The annual payment is approximately \$7,612, and does not accrue interest.

The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ended June 30:	Principal	Interest	Total
2010	\$ 7,612	\$ -	\$ 7,612
2011	7,612	-	7,612
2012	7,612	-	7,612
2013	7,612	-	7,612
2014	7,612	-	7,612
2015-2019	38,065	-	38,065
	<u>\$ 76,125</u>	<u>\$ -</u>	<u>\$ 76,125</u>

Note Payable – New Mexico Finance Authority #13

On February 27, 2009, the County borrowed \$181,867 from the New Mexico Finance Authority for the purpose of renovating and expanding the officer and dispatch facilities at the Sheriff's Department jail facility in Reserve, New Mexico. The loan is to be repaid from the governmental unit's first increment of one-eighth of one percent County gross receipts tax revenues enacted pursuant to Section 7-20E-9, NMSA 1978, as amended. The note matures May 1, 2028. The annual payment is approximately \$9,140, and does not accrue interest.

The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ended June 30:	Principal	Interest	Total
2010	\$ 8,226	\$ -	\$ 8,226
2011	9,139	-	9,139
2012	9,139	-	9,139
2013	9,139	-	9,139
2014	9,139	-	9,139
2015-2019	45,695	-	45,695
2020-2024	45,695	-	45,695
2025-2028	45,695	-	45,695
	<u>\$ 181,867</u>	<u>\$ -</u>	<u>\$ 181,867</u>



**STATE OF NEW MEXICO**  
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**10. LONG-TERM OBLIGATIONS (continued)**

*Note Payable – New Mexico Finance Authority #14*

On January 9, 2008, the County borrowed \$101,500 from the New Mexico Finance Authority for the purpose of renovating, expanding, and improving the existing Quemado Lake fire substation. To loan is to be repaid from the annual distribution of fire protection funds received from the state of New Mexico. The note matures May 1, 2019. The annual payment is approximately \$10,150, and does not accrue interest.

The following is a schedule of the annual payments required for the note:

Due in Fiscal Year Ended June 30:	Principal	Interest	Total
2010	\$ 10,150	\$ -	\$ 10,150
2011	10,150	-	10,150
2012	10,150	-	10,150
2013	10,150	-	10,150
2014	10,150	-	10,150
2015-2019	50,750	-	50,750
	<u>\$ 101,500</u>	<u>\$ -</u>	<u>\$ 101,500</u>

*Compensated Absences*

A liability for unused vacation and sick time for all full-time employees is calculated and reported in the government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:

- leave or compensation is attributable to services already rendered.
- leave or compensation is not contingent on a specific event (such as illness).

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e., are due for payment). Compensated absences are accrued in the government-wide statements. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the general fund.

In the past, approximately ninety seven percent has been paid by the General Fund and three percent by the Landfill Enterprise Fund.

*Business-Type Activities*

Changes in the business-type activities obligations during the year ended June 30, 2009, were as follows:

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**10. LONG-TERM OBLIGATIONS (continued)**

*Business-Type Activities (continued)*

	Balance 06/30/08	Additions	Deletions	Balance 06/30/09	Amounts Due Within One Year
Landfill closure	\$ 190,000	\$ -	\$ -	\$ 190,000	\$ -
Compensated absences	3,901	4,349	(3,053)	5,197	2,307
	<u>\$ 193,901</u>	<u>\$ 4,349</u>	<u>\$ (3,053)</u>	<u>\$ 195,197</u>	<u>\$ 2,307</u>

*Landfill Closure and Post-Closure Costs*

State and federal laws and regulations require that the County place a final cover on its landfill site and perform certain maintenance and monitoring functions at the landfill site for a minimum of thirty (30) years after closure. In addition to operating expenses related to current activities of the landfill sites, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of this landfill closure and post-closure care cost is based on the amount the landfill used during the year.

The estimated liability for the landfill closure site located in Glenwood, New Mexico and post-closure care costs is \$190,000 as of June 30, 2009, which is based on one hundred percent (100%) usage (filled) of the landfill. The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill acquired as of June 30, 2009. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The County is required by the state of New Mexico Environmental Regulation Board to demonstrate financial assurance for the post-closure costs, but has failed to do so.

Currently, the County uses transfer stations located throughout the County to collect trash and transport it to one of three landfill sites that is currently in operation. The County has not recorded an estimated liability for the landfill closure and post-closure expenses for the landfill sites located in Reserve, Datil, and Pie Town, New Mexico.

**11. TAXES**

Local effort and state shared revenues as of June 30, 2009:

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**11. TAXES (continued)**

	General Fund	Non-Major Funds	Total Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Local Effort Taxes:			
Property taxes	\$ 1,076,079	\$ 15,950	\$ 1,092,029
	<u>                    </u>	<u>                    </u>	<u>                    </u>
State Shared Taxes:			
Cigarette taxes	\$ 1,036	\$ 520	\$ 1,556
Gasoline taxes	156,818	-	156,818
Gross receipts taxes	77,543	63,085	140,628
Motor vehicle registrations	328,867	-	328,867
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	\$ 564,264	\$ 63,605	\$ 627,869
	<u>                    </u>	<u>                    </u>	<u>                    </u>

**12. OPERATING LEASE**

The County has entered into an agreement to lease a computer system. The agreement includes the use of the computer software and support. The agreement is renewable annually. The County expects that in the normal course of business, the computer agreement will continue to be required. For the fiscal year ended June 30, 2009, the County expended \$41,941 for the computer agreement.

**13. DEFERRED REVENUES**

The County has recorded deferred revenues in the amount of \$540,201 within the statement of net assets as of June 30, 2009. The deferred revenues are composed of the following items:

- Federal Payment in Lieu of Taxes – The County received its share of United States payment in lieu of taxes for the fiscal year 2009-2010 on June 16, 2009. The County has recorded the \$540,201 as deferred revenues as of June 30, 2009.

In addition to the deferred revenues of \$540,201, the County has recorded deferred revenues of \$83,000 and \$1,285 within the governmental general and re-appraisal funds respectively. These amounts represent non-current property taxes.

**14. INTERFUND BALANCES AND TRANSFERS**

The composition of interfund balances as of June 30, 2009, is as follows:

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**14. INTERFUND BALANCES AND TRANSFERS (continued)**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Coyote Creek Special Revenue Fund	\$ 29,427
General Fund	Quemado Special Revenue Fund	272
General Fund	County Fairgrounds Fund	1,085
General Fund	Wild Horse Special Revenue Fund	11,192
General Fund	Datil Special Revenue Fund	16,084
General Fund	Ambulance Special Revenue Fund	57,611
General Fund	Airport Special Revenue Fund	26,295
General Fund	Enhanced 911 Special Revenue Fund	74,589
General Fund	Capital Projects Fund	824,318
General Fund	Landfill Fund	140,948
	Total	<u>\$ 1,181,821</u>

These balances resulted from the time lag between the transactions and the receipt of revenue to offset the expenditures and advances of pooled cash between funds. The balances are expected to be repaid within one year.

	<u>General Fund</u>	<u>Landfill Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>
Transfers (Out):				
General Fund	<u>\$ -</u>	<u>\$ 90,000</u>	<u>\$ 27,833</u>	<u>\$ 117,833</u>

Transfers are used to move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**15. DEFICIT FUND BALANCES**

The following funds had a deficit fund balance as of June 30, 2009:

<u>Fund</u>	<u>Amount</u>
Capital Projects Fund	\$ 141,020
Enhanced 911 Fund	52,171
Airport	24,471
County Fairgrounds Fund	683

These deficit balances will be reduced from revenues received in the next fiscal year, and or transfers from the general fund.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**16. EXCESS EXPENDITURES OVER APPROPRIATIONS**

For the fiscal year ended June 30, 2009, the County incurred expenditures over appropriations of the following amounts and funds:

Fund	Amount
Enhanced 911 Fund	\$ 500,821
Apache Creek Fire Fund	6,352
Coyote Creek Fire Fund	2,802

The County will establish a policy and procedure to ensure appropriate controls over the purchasing process, including timely budget adjustments where required.

**17. RECONCILIATION OF BUDGETARY COMPARISON SCHEDULE AND STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

Sources/Inflows of Resources:

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement. \$ 6,772,294

Differences - Budget to GAAP:

Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes. 27,796

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances. \$ 6,800,090

Uses/Outflows of Operating Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement. \$ 4,021,111

Differences - Budget to GAAP:

The County budgets for claims and expenses paid for during the current accounting period. Accrual of liabilities are not included in the budgetary basis but are expenses for financial reporting purposes. (210,986)

The County budgets for salaries paid for during the current accounting period. Accrual of salaries are not included in the budgetary basis but are expenses for financial reporting purposes. (2,793)

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances. \$ 3,807,332

**STATE OF NEW MEXICO  
CATRON COUNTY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009**

**RECONCILIATION OF BUDGETARY COMPARISON SCHEDULE AND  
17. STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (cont.)**

	General Fund
Other Sources (Uses) of Resources:	
Actual amounts (budgetary basis) transfers in and (out) from the budgetary comparison statement.	\$ (117,833)
Differences - Budget to GAAP:	
None.	-
Total other financing sources (uses) as reported on the statement of revenues, expenditures, and changes in fund balances.	\$ (117,833)

**18. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION**

*Plan Description*

Substantially all of the County's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, 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. 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 from 7.0% to 9.5% (ranges from 4.78% to 16.65% depending upon the division, i.e., state general, state hazardous duty, state police, and adult correctional officers, municipal general, municipal law enforcement, municipal fire, municipal detention officer) of their gross salary. The County is required to contribute from 7.0% to 10.0% (ranges from 7.0% to 25.72% depending upon the plan) of the gross covered salary. The contribution requirements of plan members and the County are established in State statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County contributions to PERA for the years ending June 30, 2009, 2008, and 2007 were \$79,295, \$73,577, \$67,458, respectively, equal to the amount of the required contributions for each year.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2009

**19. POST-EMPLOYMENT BENEFITS**

The Retire Health Care Act, Chapter IV, Article 7C NMSA 1978 provides a comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The County has elected not to participate in the post-employment health insurance plan.

**20. CONTINGENT LIABILITIES**

*Grant Awards*

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

**21. SUBSEQUENT EVENTS**

The County has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal and state agencies, constitute future commitments.

**22. COMMITMENTS AND CONTINGENCIES**

*Risk Management*

The County is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The County has joined together with other local governments in the state and obtained insurance through the New Mexico Self-Insured fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The County pays an annual premium to New Mexico Self-Insured fund for its general insurance coverage and all risk of loss is transferred.

*Litigation*

The County has various claims and lawsuits pending against the County. The County's attorney believes that no liability or damages could accrue to Catron County other than payment of attorney and other legal fees.

## **COMBINING AND INDIVIDUAL FINANCIAL STATEMENTS**



**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2009**

	Special Revenue Funds										
	Farm and Range Fund	Recreation Fund	Co. Clerk's Equipment Fund	Airport Fund	Reappraisal Fund	County Fairgrounds Fund	Ambulance Fund	Emergency Med Svcs Fund	Indigent Fund	Medicaid Fund	Enhanced 911 Fund
<b><u>ASSETS</u></b>											
Cash	\$ 625	\$ 3,202	\$ 45,226	\$ 981	\$ 60,872	\$ 402	\$ 174,255	\$ 102,515	\$ 12,020	\$ -	\$ 22,398
Receivables, net of allowances for doubtful accounts:											
Accounts	-	-	-	-	-	-	97,491	-	-	-	-
Taxes	-	21	-	-	1,609	-	6,451	-	6,451	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Interest	-	3	32	-	178	-	100	64	3	-	20
Prepaid expenses	-	-	-	843	-	-	378	-	-	-	-
Restricted:											
Investments	-	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 625</u>	<u>\$ 3,226</u>	<u>\$ 45,258</u>	<u>\$ 1,824</u>	<u>\$ 62,659</u>	<u>\$ 402</u>	<u>\$ 278,675</u>	<u>\$ 102,579</u>	<u>\$ 18,474</u>	<u>\$ -</u>	<u>\$ 22,418</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>											
Liabilities:											
Accounts payable	\$ -	\$ -	\$ 1,225	\$ -	\$ 476	\$ -	\$ 3,083	\$ 745	\$ -	\$ -	\$ -
Deferred revenues	-	-	-	-	1,285	-	-	-	-	-	-
Interfund payable	-	-	-	26,295	-	1,085	57,611	-	-	-	74,589
Total liabilities	-	-	1,225	26,295	1,761	1,085	60,694	745	-	-	74,589
Fund Balances:											
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	-
Reserved for subsequent years	317	300	-	-	-	-	-	-	-	-	-
Unreserved	308	2,926	44,033	(24,471)	60,898	(683)	217,981	101,834	18,474	-	(52,171)
Total fund balances	<u>625</u>	<u>3,226</u>	<u>44,033</u>	<u>(24,471)</u>	<u>60,898</u>	<u>(683)</u>	<u>217,981</u>	<u>101,834</u>	<u>18,474</u>	<u>-</u>	<u>(52,171)</u>
Total liabilities and fund balances	<u>\$ 625</u>	<u>\$ 3,226</u>	<u>\$ 45,258</u>	<u>\$ 1,824</u>	<u>\$ 62,659</u>	<u>\$ 402</u>	<u>\$ 278,675</u>	<u>\$ 102,579</u>	<u>\$ 18,474</u>	<u>\$ -</u>	<u>\$ 22,418</u>

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

**STATE OF NEW MEXICO  
CATRON COUNTY  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	Special Revenue Funds								
	20 Communities Fund	Corrections Fund	Law Enforcement Fund	Confiscated Drugs Fund	COPS Grant Fund	Legal Fund	Quemado Fire Fund	Datil Fire Fund	Glenwood Fire Fund
<b>ASSETS</b>									
Cash	\$ 36,897	\$ 63,977	\$ 7,384	\$ 1,154	\$ 691	\$ 2,375	\$ 29,558	\$ -	\$ 135,069
Receivables, net of allowances for doubtful accounts:									
Accounts	-	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	122,570	14,732	-	-	-	-	2,141	98,954	-
Interest	-	29	-	1	1	2	21	101	49
Prepaid expenses	-	-	-	-	-	-	1,893	1,893	1,893
Restricted:									
Investments	-	187,389	-	-	-	-	899	77	82
Total assets	<u>\$ 159,467</u>	<u>\$ 266,127</u>	<u>\$ 7,384</u>	<u>\$ 1,155</u>	<u>\$ 692</u>	<u>\$ 2,377</u>	<u>\$ 34,512</u>	<u>\$ 101,025</u>	<u>\$ 137,093</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Liabilities:									
Accounts payable	\$ 122,570	\$ 2,468	\$ -	\$ -	\$ -	\$ -	\$ 3,657	\$ 35,395	\$ 1,590
Deferred revenues	-	-	-	-	-	-	-	-	-
Interfund payable	-	-	-	-	-	-	272	16,084	-
Total liabilities	122,570	2,468	-	-	-	-	3,929	51,479	1,590
Fund Balances:									
Reserved for debt service	-	187,389	-	-	-	-	899	77	82
Reserved for subsequent years	-	3,139	3,800	-	-	-	18,063	30,480	73,029
Unreserved	36,897	73,131	3,584	1,155	692	2,377	11,621	18,989	62,392
Total fund balances	36,897	263,659	7,384	1,155	692	2,377	30,583	49,546	135,503
Total liabilities and fund balances	<u>\$ 159,467</u>	<u>\$ 266,127</u>	<u>\$ 7,384</u>	<u>\$ 1,155</u>	<u>\$ 692</u>	<u>\$ 2,377</u>	<u>\$ 34,512</u>	<u>\$ 101,025</u>	<u>\$ 137,093</u>

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

**STATE OF NEW MEXICO  
CATRON COUNTY  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	Special Revenue Funds									
	Pie Town Fire Fund	Rancho Grande Fire Fund	Luna Fire Fund	Mogollon Fire Fund	Apache Creek Fire Fund	Horse Mountain Fire Fund	Quemado Lake Fire Fund	Coyote Creek Fire Fund	Wild Horse Fire Fund	Total Special Revenue Funds
<b><u>ASSETS</u></b>										
Cash	\$ 48,018	\$ 60,762	\$ 30,147	\$ 130,857	\$ 62,971	\$ 34,953	\$ 36,393	\$ 14,224	\$ 14,608	\$ 1,132,534
Receivables, net of allowance for doubtful accounts:										
Accounts	-	-	-	-	-	-	-	-	-	97,491
Taxes	-	-	-	-	-	-	-	-	-	14,532
Intergovernmental	541	-	-	-	-	-	-	-	143	239,081
Interest	19	29	15	134	35	11	15	5	5	872
Prepaid expenses	2,016	2,116	1,893	1,893	2,388	2,190	2,388	1,893	2,188	25,865
Restricted:										
Investments	-	158	-	75,005	28,933	4,410	98,745	17,486	14,361	427,545
<b>Total assets</b>	<b>\$ 50,594</b>	<b>\$ 63,065</b>	<b>\$ 32,055</b>	<b>\$ 207,889</b>	<b>\$ 94,327</b>	<b>\$ 41,564</b>	<b>\$ 137,541</b>	<b>\$ 33,608</b>	<b>\$ 31,305</b>	<b>\$ 1,937,920</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>										
Liabilities:										
Accounts payable	\$ 1,610	\$ 67	\$ 1,814	\$ 1,324	\$ 2,428	\$ 552	\$ 21,329	\$ 1,073	\$ 1,826	\$ 203,232
Deferred revenues	-	-	-	-	-	-	-	-	-	1,285
Interfund payable	-	-	-	-	-	-	-	29,427	11,192	216,555
<b>Total liabilities</b>	<b>1,610</b>	<b>67</b>	<b>1,814</b>	<b>1,324</b>	<b>2,428</b>	<b>552</b>	<b>21,329</b>	<b>30,500</b>	<b>13,018</b>	<b>421,072</b>
Fund Balances:										
Reserved for debt service	-	158	-	75,005	28,933	4,410	98,745	3,108	14,361	413,167
Reserved for subsequent years	47,300	43,091	19,244	116,324	15,617	29,803	17,467	-	3,926	421,900
Unreserved	1,684	19,749	10,997	15,236	47,349	6,799	-	-	-	681,781
<b>Total fund balances</b>	<b>48,984</b>	<b>62,998</b>	<b>30,241</b>	<b>206,565</b>	<b>91,899</b>	<b>41,012</b>	<b>116,212</b>	<b>3,108</b>	<b>18,287</b>	<b>1,516,848</b>
<b>Total liabilities and fund balances</b>	<b>\$ 50,594</b>	<b>\$ 63,065</b>	<b>\$ 32,055</b>	<b>\$ 207,889</b>	<b>\$ 94,327</b>	<b>\$ 41,564</b>	<b>\$ 137,541</b>	<b>\$ 33,608</b>	<b>\$ 31,305</b>	<b>\$ 1,937,920</b>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	Special Revenue Funds										
	Farm and Range Fund	Recreation Fund	Co. Clerk's Equipment Fund	Airport Fund	Reappraisal Fund	County Fairgrounds Fund	Ambulance Fund	Emergency Med Svcs Fund	Indigent Fund	Medicaid Fund	Enhanced 911 Fund
<b>Revenues:</b>											
Local effort taxes	\$ -	\$ -	\$ -	\$ -	\$ 15,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State shared taxes	-	520	-	-	-	-	44,964	-	18,121	-	-
Intergovernmental	16,683	-	-	-	-	-	-	86,811	-	-	458,020
Charges for services	-	-	7,152	-	6,157	-	81,398	-	-	-	52,801
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	11	106	-	428	-	177	64	3	-	58
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>16,683</b>	<b>531</b>	<b>7,258</b>	<b>-</b>	<b>22,535</b>	<b>-</b>	<b>126,539</b>	<b>86,875</b>	<b>18,124</b>	<b>-</b>	<b>510,879</b>
<b>Expenditures:</b>											
<b>Current:</b>											
General government	-	-	10,458	3,292	4,393	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	62,838	-	-	52,801
Health and welfare	16,506	-	-	-	-	-	123,085	-	-	18,792	-
Culture and recreation	-	-	-	-	-	3,411	-	-	-	-	-
Capital outlay	-	-	-	-	23,166	-	-	6,295	-	-	458,020
<b>Debt Service:</b>											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>16,506</b>	<b>-</b>	<b>10,458</b>	<b>3,292</b>	<b>27,559</b>	<b>3,411</b>	<b>123,085</b>	<b>69,133</b>	<b>-</b>	<b>18,792</b>	<b>510,821</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>177</b>	<b>531</b>	<b>(3,200)</b>	<b>(3,292)</b>	<b>(5,024)</b>	<b>(3,411)</b>	<b>3,454</b>	<b>17,742</b>	<b>18,124</b>	<b>(18,792)</b>	<b>58</b>
<b>Other Financing Sources (Uses):</b>											
Loan proceeds	-	-	-	-	-	-	-	-	-	-	-
Transfer in	-	-	-	4,000	-	4,000	-	-	-	18,792	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,792</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other (uses)</b>	<b>177</b>	<b>531</b>	<b>(3,200)</b>	<b>708</b>	<b>(5,024)</b>	<b>589</b>	<b>3,454</b>	<b>17,742</b>	<b>18,124</b>	<b>-</b>	<b>58</b>
<b>Fund balances, beginning of year</b>	<b>448</b>	<b>2,695</b>	<b>47,233</b>	<b>(25,179)</b>	<b>65,922</b>	<b>(1,272)</b>	<b>214,527</b>	<b>84,092</b>	<b>350</b>	<b>-</b>	<b>(52,229)</b>
<b>Fund balances, end of year</b>	<b>\$ 625</b>	<b>\$ 3,226</b>	<b>\$ 44,033</b>	<b>\$ (24,471)</b>	<b>\$ 60,898</b>	<b>\$ (683)</b>	<b>\$ 217,981</b>	<b>\$ 101,834</b>	<b>\$ 18,474</b>	<b>\$ -</b>	<b>\$ (52,171)</b>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Special Revenue Funds									
	20 Communities Fund	Corrections Fund	Law Enforcement Fund	Confiscated Drugs Fund	COPS Grant Fund	Legal Fund	Quemado Fire Fund	Datil Fire Fund	Glenwood Fire Fund	Pie Town Fire Fund
Revenues:										
Local effort taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State shared taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	127,921	-	23,600	-	-	-	42,632	150,627	42,632	63,945
Charges for services	-	21,528	-	-	-	-	7,002	3,042	-	1,589
Fines and forfeitures	-	60,374	-	-	-	-	-	-	-	-
Interest income	-	46	-	5	1	4	278	926	384	244
Miscellaneous	-	3,169	6,608	-	4	-	-	1,504	-	50
<b>Total revenues</b>	<b>127,921</b>	<b>85,117</b>	<b>30,208</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>49,912</b>	<b>156,099</b>	<b>43,016</b>	<b>65,828</b>
Expenditures:										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	43,678	-	-	-	-	32,811	22,177	15,900	47,511
Health and welfare	127,921	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	10,260	22,907	-	-	-	7,465	452,609	-	218,530
Debt Service:										
Principal	-	-	-	-	-	-	6,537	7,434	8,011	-
Interest	-	-	-	-	-	-	-	-	78	-
<b>Total expenditures</b>	<b>127,921</b>	<b>53,938</b>	<b>22,907</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,813</b>	<b>482,220</b>	<b>23,989</b>	<b>266,041</b>
Excess (deficiency) of revenues over expenditures	-	31,179	7,301	5	5	4	3,099	(326,121)	19,027	(200,213)
Other Financing Sources (Uses):										
Loan proceeds	-	181,867	-	-	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>181,867</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	-	213,046	7,301	5	5	4	3,099	(326,121)	19,027	(200,213)
Fund balances, beginning of year	36,897	50,613	83	1,150	687	2,373	27,484	375,667	116,476	249,197
Fund balances, end of year	<u>\$ 36,897</u>	<u>\$ 263,659</u>	<u>\$ 7,384</u>	<u>\$ 1,155</u>	<u>\$ 692</u>	<u>\$ 2,377</u>	<u>\$ 30,583</u>	<u>\$ 49,546</u>	<u>\$ 135,503</u>	<u>\$ 48,984</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Special Revenue Funds								
	Rancho Grande Fire Fund	Luna Fire Fund	Mogollon Fire Fund	Apache Creek Fire Fund	Horse Mountain Fire Mountain	Quemado Lake Fire Fund	Coyote Creek Fire Fund	Wild Horse Fire Fund	Total Special Revenue Funds
Revenues:									
Local effort taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,950
State shared taxes	-	-	-	-	-	-	-	-	63,605
Intergovernmental	42,632	42,632	42,632	134,620	42,632	42,632	42,632	62,632	1,465,915
Charges for services	-	-	-	3,749	1,669	-	-	143	186,230
Fines and forfeitures	-	-	-	-	-	-	-	-	60,374
Interest income	177	39	343	892	218	444	761	294	5,903
Miscellaneous	-	350	-	-	-	-	-	825	12,510
<b>Total revenues</b>	<b>42,809</b>	<b>43,021</b>	<b>42,975</b>	<b>139,261</b>	<b>44,519</b>	<b>43,076</b>	<b>43,393</b>	<b>63,894</b>	<b>1,810,487</b>
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	-	18,143
Public safety	16,679	32,455	27,814	45,854	31,938	27,196	52,019	45,573	557,244
Health and welfare	-	-	-	-	-	-	-	-	286,304
Culture and recreation	-	-	-	-	-	-	-	-	3,411
Capital outlay	-	-	-	-	-	25,982	48,331	-	1,273,565
Debt Service:									
Principal	14,533	-	-	50,212	12,270	5,521	16,988	11,758	133,264
Interest	1,230	-	-	8,276	843	-	-	1,877	12,304
<b>Total expenditures</b>	<b>32,442</b>	<b>32,455</b>	<b>27,814</b>	<b>104,342</b>	<b>45,051</b>	<b>58,699</b>	<b>117,338</b>	<b>59,208</b>	<b>2,284,235</b>
Excess (deficiency) of revenues over expenditures	10,367	10,566	15,161	34,919	(532)	(15,623)	(73,945)	4,686	(473,748)
Other Financing Sources (Uses):									
Loan proceeds	-	-	76,125	-	-	101,500	-	-	359,492
Transfer in	-	-	-	-	-	-	-	1,041	27,833
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>76,125</b>	<b>-</b>	<b>-</b>	<b>101,500</b>	<b>-</b>	<b>1,041</b>	<b>387,325</b>
Excess (deficiency) of revenues and other sources over expenditures and other (uses)	10,367	10,566	91,286	34,919	(532)	85,877	(73,945)	5,727	(86,423)
Fund balances, beginning of year	52,631	19,675	115,279	56,980	41,544	30,335	77,053	12,560	1,603,271
Fund balances, end of year	<u>\$ 62,998</u>	<u>\$ 30,241</u>	<u>\$ 206,565</u>	<u>\$ 91,899</u>	<u>\$ 41,012</u>	<u>\$ 116,212</u>	<u>\$ 3,108</u>	<u>\$ 18,287</u>	<u>\$ 1,516,848</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
 FARM AND RANGE SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 15,265	\$ 15,265	\$ 16,683	\$ 1,418
Interest income	500	500	-	(500)
Total revenues	<u>15,765</u>	<u>15,765</u>	<u>16,683</u>	<u>918</u>
Expenditures:				
Current:				
Health and welfare	<u>15,500</u>	<u>16,350</u>	<u>16,330</u>	<u>20</u>
Net change in cash balance	265	(585)	353	938
Cash balance, beginning of year	<u>272</u>	<u>272</u>	<u>272</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ 537</u></u>	<u><u>\$ (313)</u></u>	<u><u>\$ 625</u></u>	<u><u>\$ 938</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
RECREATION SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget Over (Under)
Revenues:				
State shared taxes	\$ 800	\$ 800	\$ 576	\$ (224)
Interest income	100	100	27	(73)
Total revenues	900	900	603	(297)
Expenditures:				
Current:				
Culture and recreation	3,000	3,000	-	3,000
Net change in cash balance	(2,100)	(2,100)	603	2,703
Cash balance, beginning of year	2,599	2,599	2,599	-
Cash balance, end of year	<u>\$ 499</u>	<u>\$ 499</u>	<u>\$ 3,202</u>	<u>\$ 2,703</u>

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



**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**CLERK'S EQUIPMENT SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget Over (Under)
Revenues:				
Charges for services	\$ 17,500	\$ 17,500	\$ 7,152	\$ (10,348)
Interest income	250	250	456	206
Total revenues	17,750	17,750	7,608	(10,142)
Expenditures:				
Current:				
General government	-	-	10,556	(10,556)
Capital outlay	20,000	20,000	-	20,000
Total expenditures	20,000	20,000	10,556	9,444
Net change in cash balance	(2,250)	(2,250)	(2,948)	(698)
Cash balance, beginning of year	48,174	48,174	48,174	-
Cash balance, end of year	<u>\$ 45,924</u>	<u>\$ 45,924</u>	<u>\$ 45,226</u>	<u>\$ (698)</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
AIRPORT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Expenditures:				
Current:				
General government	\$ 4,200	\$ 4,200	\$ 3,475	\$ 725
Other Financing Sources (Uses):				
Transfers in	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net change in cash balance	(200)	(200)	525	725
Cash balance, beginning of year	<u>456</u>	<u>456</u>	<u>456</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ 256</u></u>	<u><u>\$ 256</u></u>	<u><u>\$ 981</u></u>	<u><u>\$ 725</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
RE-APPRAISAL SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget Over (Under)
Revenues:				
Local effort taxes	\$ 15,000	\$ 15,000	\$ 16,165	\$ 1,165
Charges for services	4,500	4,500	6,157	1,657
Miscellaneous	500	500	394	(106)
Total revenues	20,000	20,000	22,716	2,716
Expenditures:				
Current:				
General government	13,800	13,800	3,939	9,861
Capital outlay	40,000	40,000	23,166	16,834
Total expenditures	53,800	53,800	27,105	26,695
Net change in cash balance	(33,800)	(33,800)	(4,389)	29,411
Cash balance, beginning of year	65,261	65,261	65,261	-
Cash balance, end of year	\$ 31,461	\$ 31,461	\$ 60,872	\$ 29,411

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
COUNTY FAIRGROUNDS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Expenditures:				
Current:				
Culture and recreation	\$ 4,000	\$ 4,000	\$ 3,639	\$ 361
Other Financing Sources (Uses):				
Transfers in	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net change in cash balance	-	-	361	361
Cash balance, beginning of year	<u>41</u>	<u>41</u>	<u>41</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ 41</u></u>	<u><u>\$ 41</u></u>	<u><u>\$ 402</u></u>	<u><u>\$ 361</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**AMBULANCE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
State shared taxes	\$ 37,000	\$ 37,000	\$ 41,128	\$ 4,128
Charges for services	100,000	100,000	76,922	(23,078)
Interest income	<u>1,200</u>	<u>1,200</u>	<u>517</u>	<u>(683)</u>
Total revenues	138,200	138,200	118,567	(19,633)
Expenditures:				
Current:				
Health and welfare	133,400	140,900	126,865	14,035
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>134,400</u>	<u>141,900</u>	<u>126,865</u>	<u>15,035</u>
Net change in cash balance	3,800	(3,700)	(8,298)	(4,598)
Cash balance, beginning of year	<u>182,553</u>	<u>182,553</u>	<u>182,553</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ 186,353</u></u>	<u><u>\$ 178,853</u></u>	<u><u>\$ 174,255</u></u>	<u><u>\$ (4,598)</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 89,394	\$ 89,394	\$ 86,811	\$ (2,583)
Expenditures:				
Current:				
Public safety	127,500	127,500	67,806	59,694
Capital outlay	<u>-</u>	<u>-</u>	<u>6,295</u>	<u>(6,295)</u>
Total expenditures	<u>127,500</u>	<u>127,500</u>	<u>74,101</u>	<u>53,399</u>
Net change in cash balance	(38,106)	(38,106)	12,710	50,816
Cash balance, beginning of year	<u>89,805</u>	<u>89,805</u>	<u>89,805</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ 51,699</u></u>	<u><u>\$ 51,699</u></u>	<u><u>\$ 102,515</u></u>	<u><u>\$ 50,816</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
INDIGENT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
State shared taxes	\$ 15,000	\$ 15,000	\$ 11,670	\$ (3,330)
Expenditures:				
Current:				
Health and welfare	<u>15,350</u>	<u>15,350</u>	<u>-</u>	<u>15,350</u>
Net change in cash balance	(350)	(350)	11,670	12,020
Cash balance, beginning of year	<u>350</u>	<u>350</u>	<u>350</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,020</u></u>	<u><u>\$ 12,020</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
 MEDICAID SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Expenditures:				
Current:				
Health and welfare	\$ 22,000	\$ 22,000	\$ 18,792	\$ 3,208
Other Financing Sources (Uses):				
Transfers in	<u>22,000</u>	<u>22,000</u>	<u>18,792</u>	<u>(3,208)</u>
Net change in cash balance	-	-	-	-
Cash balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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



**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
 ENHANCED 911 SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Basis</u>	<u>Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 458,020	\$ 458,020
Charges for services	-	-	52,801	52,801
Interest income	<u>450</u>	<u>450</u>	<u>126</u>	<u>(324)</u>
Total revenues	450	450	510,947	510,497
Expenditures:				
Current:				
Health and welfare	5,000	5,000	52,801	(47,801)
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>458,020</u>	<u>(453,020)</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>510,821</u>	<u>(500,821)</u>
Net change in cash balance	(9,550)	(9,550)	126	9,676
Cash balance, beginning of year	<u>22,272</u>	<u>22,272</u>	<u>22,272</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ 12,722</u></u>	<u><u>\$ 12,722</u></u>	<u><u>\$ 22,398</u></u>	<u><u>\$ 9,676</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
20 COMMUNITIES SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 200,000	\$ 326,000	\$ 24,601	\$ (301,399)
Expenditures:				
Current:				
Health and welfare	<u>245,000</u>	<u>371,000</u>	<u>31,601</u>	<u>339,399</u>
Net change in cash balance	(45,000)	(45,000)	(7,000)	38,000
Cash balance, beginning of year	<u>43,897</u>	<u>43,897</u>	<u>43,897</u>	<u>-</u>
Cash balance, end of year	<u>\$ (1,103)</u>	<u>\$ (1,103)</u>	<u>\$ 36,897</u>	<u>\$ 38,000</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
CORRECTIONS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Charges for services	\$ 39,000	\$ 39,000	\$ 67,170	\$ 28,170
Interest income	500	500	369	(131)
Miscellaneous	<u>8,500</u>	<u>8,500</u>	<u>3,169</u>	<u>11,669</u>
Total revenues	48,000	48,000	70,708	22,708
Expenditures:				
Current:				
Public safety	76,060	86,060	44,934	41,126
Capital outlay	1,000	1,000	10,260	(9,260)
Debt service:				
Principal	<u>-</u>	<u>8,226</u>	<u>8,226</u>	<u>-</u>
Total expenditures	<u>77,060</u>	<u>95,286</u>	<u>63,420</u>	<u>31,866</u>
Net change in cash balance	(29,060)	(47,286)	7,288	54,574
Cash balance, beginning of year	<u>56,689</u>	<u>56,689</u>	<u>56,689</u>	<u>-</u>
Cash balance, end of year	<u>\$ 27,629</u>	<u>\$ 9,403</u>	<u>\$ 63,977</u>	<u>\$ 54,574</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
LAW ENFORCEMENT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 23,600	\$ 23,600	\$ 23,600	\$ -
Miscellaneous	<u>-</u>	<u>-</u>	<u>6,608</u>	<u>6,608</u>
Total revenues	23,600	23,600	30,208	6,608
Expenditures:				
Capital outlay	<u>20,000</u>	<u>23,683</u>	<u>22,907</u>	<u>776</u>
Net change in cash balance	3,600	(83)	7,301	7,384
Cash balance, beginning of year	<u>83</u>	<u>83</u>	<u>83</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ 3,683</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,384</u></u>	<u><u>\$ 7,384</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
CONFISCATED DRUGS SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Interest income	\$ -	\$ -	\$ 23	\$ 23
Expenditures:				
Current:				
Public safety	<u>1,050</u>	<u>1,050</u>	<u>-</u>	<u>1,050</u>
Net change in cash balance	(1,050)	(1,050)	23	1,073
Cash balance, beginning of year	<u>1,131</u>	<u>1,131</u>	<u>1,131</u>	<u>-</u>
Cash balance, end of year	<u>\$ 81</u>	<u>\$ 81</u>	<u>\$ 1,154</u>	<u>\$ 1,073</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
COPS GRANT SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 4	\$ 4
Expenditures:				
Current:				
Public safety	<u>600</u>	<u>600</u>	<u>-</u>	<u>600</u>
Net change in cash balance	(600)	(600)	4	604
Cash balance, beginning of year	<u>687</u>	<u>687</u>	<u>687</u>	<u>-</u>
Cash balance, end of year	<u>\$ 87</u>	<u>\$ 87</u>	<u>\$ 691</u>	<u>\$ 604</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
LEGAL SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Interest income	\$ 50	\$ 50	\$ 20	\$ (30)
Expenditures:				
Current:				
Public safety	<u>2,300</u>	<u>2,300</u>	<u>-</u>	<u>2,300</u>
Net change in cash balance	(2,250)	(2,250)	20	2,270
Cash balance, beginning of year	<u>2,355</u>	<u>2,355</u>	<u>2,355</u>	<u>-</u>
Cash balance, end of year	<u>\$ 105</u>	<u>\$ 105</u>	<u>\$ 2,375</u>	<u>\$ 2,270</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**QUEMADO FIRE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 42,632	\$ (2,632)
Charges for services	-	-	4,861	4,861
Interest income	1,000	1,000	449	551
Total revenues	<u>41,000</u>	<u>41,000</u>	<u>47,942</u>	<u>6,942</u>
Expenditures:				
Current:				
Public safety	41,364	44,334	31,163	13,171
Capital outlay	3,000	3,000	7,465	(4,465)
Debt service				
Principal	-	-	6,537	(6,537)
Total expenditures	<u>44,364</u>	<u>47,334</u>	<u>45,165</u>	<u>2,169</u>
Net change in cash balance	(3,364)	(6,334)	2,777	9,111
Cash balance, beginning of year	26,593	26,593	26,593	-
Restricted cash conversion	-	-	188	188
Cash balance, end of year	<u>\$ 23,229</u>	<u>\$ 20,259</u>	<u>\$ 29,558</u>	<u>\$ 9,299</u>

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



**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
 DATIL FIRE SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget Over (Under)
Revenues:				
Intergovernmental	\$ 38,864	\$ 36,864	\$ 52,887	\$ 16,023
Charges for services	-	-	1,828	1,828
Interest income	1,000	1,000	943	(57)
Miscellaneous	292,114	292,114	1,504	(290,610)
Total revenues	331,978	329,978	57,162	(272,816)
Expenditures:				
Current:				
Public safety	242,814	245,301	130,847	114,454
Capital outlay	183,095	183,095	228,615	(45,520)
Debt service:				
Principal	-	-	7,434	(7,434)
Total expenditures	425,909	428,396	366,896	61,500
Net change in cash balance	(93,931)	(98,418)	(309,734)	(211,316)
Cash balance, beginning of year	293,446	293,446	293,446	-
Cash advanced from general fund	-	-	16,084	16,084
Restricted cash conversion	-	-	204	204
Cash balance, end of year	<u>\$ 199,515</u>	<u>\$ 195,028</u>	<u>\$ -</u>	<u>\$ (195,028)</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**GLENWOOD FIRE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 39,398	\$ 39,398	\$ 42,632	\$ 3,234
Interest income	1,000	1,000	903	(97)
Total revenues	40,398	40,398	43,535	3,137
Expenditures:				
Current:				
Public safety	40,838	42,904	15,117	27,787
Capital outlay	50,000	50,000	-	50,000
Debt service:				
Principal	-	-	8,011	(8,011)
Total expenditures	90,838	92,904	23,128	69,776
Net change in cash balance	(50,440)	(52,506)	20,407	72,913
Cash balance, beginning of year	114,508	114,508	114,508	-
Restricted cash conversion	-	-	154	154
Cash balance, end of year	<u>\$ 64,068</u>	<u>\$ 62,002</u>	<u>\$ 135,069</u>	<u>\$ 73,067</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
 PIE TOWN FIRE SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 48,628	\$ 48,628	\$ 63,945	\$ 15,317
Charges for services	-	-	1,048	1,048
Interest income	1,000	1,000	499	(501)
Miscellaneous	100	100	50	(50)
Total revenues	<u>49,728</u>	<u>49,728</u>	<u>65,542</u>	<u>15,814</u>
Expenditures:				
Current:				
Public safety	152,297	130,999	49,203	81,796
Capital outlay	-	180,000	218,530	(38,530)
Total expenditures	<u>152,297</u>	<u>310,999</u>	<u>267,733</u>	<u>43,266</u>
Net change in cash balance	(102,569)	(261,271)	(202,191)	59,080
Cash balance, beginning of year	<u>250,209</u>	<u>250,209</u>	<u>250,209</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ 147,640</u></u>	<u><u>\$ (11,062)</u></u>	<u><u>\$ 48,018</u></u>	<u><u>\$ 59,080</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
RANCHO GRANDE FIRE SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 32,000	\$ 32,000	\$ 42,632	\$ 10,632
Interest income	1,000	1,000	804	(196)
Total revenues	<u>33,000</u>	<u>33,000</u>	<u>43,436</u>	<u>10,436</u>
Expenditures:				
Current:				
Public safety	63,073	65,449	17,041	48,408
Debt service:				
Principal	-	-	14,533	(14,533)
Interest	-	-	1,230	(1,230)
Total expenditures	<u>63,073</u>	<u>65,449</u>	<u>32,804</u>	<u>32,645</u>
Net change in cash balance	(30,073)	(32,449)	10,632	43,081
Cash balance, beginning of year	49,691	49,691	49,691	-
Restricted cash conversion	-	-	439	439
Cash balance, end of year	<u>\$ 19,618</u>	<u>\$ 17,242</u>	<u>\$ 60,762</u>	<u>\$ 43,520</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
LUNA FIRE SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 46,628	\$ 46,628	\$ 42,632	\$ (3,996)
Interest income	1,000	1,000	414	(586)
Miscellaneous	-	-	350	350
Total revenues	<u>47,628</u>	<u>47,628</u>	<u>43,396</u>	<u>(4,232)</u>
Expenditures:				
Current:				
Public safety	59,230	60,605	38,351	22,254
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>69,230</u>	<u>70,605</u>	<u>38,351</u>	<u>32,254</u>
Net change in cash balance	(21,602)	(22,977)	5,045	28,022
Cash balance, beginning of year	<u>25,102</u>	<u>25,102</u>	<u>25,102</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ 3,500</u></u>	<u><u>\$ 2,125</u></u>	<u><u>\$ 30,147</u></u>	<u><u>\$ 28,022</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**MOGOLLON FIRE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 46,628	\$ 46,628	\$ 42,632	\$ (3,996)
Interest income	<u>1,000</u>	<u>1,000</u>	<u>789</u>	<u>(211)</u>
Total revenues	47,628	47,628	43,421	(4,207)
Expenditures:				
Current:				
Public safety	67,000	28,693	27,814	879
Capital outlay	<u>75,000</u>	<u>116,000</u>	<u>-</u>	<u>116,000</u>
Total expenditures	<u>142,000</u>	<u>144,693</u>	<u>27,814</u>	<u>116,879</u>
Net change in cash balance	(94,372)	(97,065)	15,607	112,672
Cash balance, beginning of year	<u>115,250</u>	<u>115,250</u>	<u>115,250</u>	<u>-</u>
Cash balance, end of year	<u><u>\$ 20,878</u></u>	<u><u>\$ 18,185</u></u>	<u><u>\$ 130,857</u></u>	<u><u>\$ 112,672</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**APACHE CREEK FIRE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 87,603	\$ 87,603	\$ 134,620	\$ 47,017
Charges for services	-	-	3,749	3,749
Interest income	<u>1,000</u>	<u>1,000</u>	<u>940</u>	<u>(60)</u>
Total revenues	88,603	88,603	139,309	50,706
Expenditures:				
Current:				
Public safety	82,778	106,236	44,591	61,645
Capital outlay	10,000	10,000	19,509	(9,509)
Debt service:				
Principal	-	-	50,212	(50,212)
Interest	<u>-</u>	<u>-</u>	<u>8,276</u>	<u>(8,276)</u>
Total expenditures	<u>92,778</u>	<u>116,236</u>	<u>122,588</u>	<u>(6,352)</u>
Net change in cash balance	(4,175)	(27,633)	16,721	44,354
Cash balance, beginning of year	31,423	31,423	31,423	-
Restricted cash conversion	<u>-</u>	<u>-</u>	<u>14,827</u>	<u>14,827</u>
Cash balance, end of year	<u><u>\$ 27,248</u></u>	<u><u>\$ 3,790</u></u>	<u><u>\$ 62,971</u></u>	<u><u>\$ 59,181</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
HORSE MOUNTAIN FIRE SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 39,058	\$ 39,058	\$ 42,632	\$ 3,574
Charges for services	-	-	2,663	2,663
Interest income	<u>1,000</u>	<u>1,000</u>	<u>450</u>	<u>(550)</u>
Total revenues	40,058	40,058	45,745	5,687
Expenditures:				
Current:				
Public safety	50,513	66,448	33,371	33,077
Capital outlay	20,058	3,058	-	3,058
Debt service:				
Principal	-	-	12,270	(12,270)
Interest	<u>-</u>	<u>-</u>	<u>843</u>	<u>(843)</u>
Total expenditures	<u>70,571</u>	<u>69,506</u>	<u>46,484</u>	<u>23,022</u>
Net change in cash balance	(30,513)	(29,448)	(739)	28,709
Cash balance, beginning of year	35,321	35,321	35,321	-
Restricted cash conversion	<u>-</u>	<u>-</u>	<u>371</u>	<u>371</u>
Cash balance, end of year	<u>\$ 4,808</u>	<u>\$ 5,873</u>	<u>\$ 34,953</u>	<u>\$ 29,080</u>

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



**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**QUEMADO LAKE FIRE SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 41,000	\$ 41,000	\$ 42,632	\$ 1,632
Charges for services	-	-	1,456	1,456
Interest income	<u>1,000</u>	<u>1,000</u>	<u>179</u>	<u>(821)</u>
Total revenues	42,000	42,000	44,267	2,267
Expenditures:				
Current:				
Public safety	38,211	41,891	23,865	18,026
Capital outlay	20,000	20,000	9,070	10,930
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>5,521</u>	<u>(5,521)</u>
Total expenditures	<u>58,211</u>	<u>61,891</u>	<u>38,456</u>	<u>23,435</u>
Net change in cash balance	(16,211)	(19,891)	5,811	25,702
Cash balance, beginning of year	30,422	30,422	30,422	-
Restricted cash conversion	<u>-</u>	<u>-</u>	<u>160</u>	<u>160</u>
Cash balance, end of year	<u><u>\$ 14,211</u></u>	<u><u>\$ 10,531</u></u>	<u><u>\$ 36,393</u></u>	<u><u>\$ 25,862</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
COYOTE CREEK FIRE SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 28,243	\$ 28,243	\$ 42,632	\$ 14,389
Interest income	1,000	1,000	837	(163)
Total revenues	<u>29,243</u>	<u>29,243</u>	<u>43,469</u>	<u>14,226</u>
Expenditures:				
Current:				
Public safety	45,750	105,146	52,629	52,517
Capital outlay	10,000	10,000	48,331	(38,331)
Debt service:				
Principal	<u>-</u>	<u>-</u>	<u>16,988</u>	<u>(16,988)</u>
Total expenditures	<u>55,750</u>	<u>115,146</u>	<u>117,948</u>	<u>(2,802)</u>
Net change in cash balance	(26,507)	(85,903)	(74,479)	11,424
Cash balance, beginning of year	88,858	88,858	88,858	-
Restricted cash conversion	<u>-</u>	<u>-</u>	<u>(155)</u>	<u>(155)</u>
Cash balance, end of year	<u>\$ 62,351</u>	<u>\$ 2,955</u>	<u>\$ 14,224</u>	<u>\$ 11,269</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
WILD HORSE FIRE SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance With Final Budget Over (Under)</u>
Revenues:				
Intergovernmental	\$ 35,000	\$ 55,000	\$ 62,632	\$ 7,632
Interest income	1,000	1,000	305	(695)
Miscellaneous	-	-	825	825
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	36,000	56,000	63,762	7,762
Expenditures:				
Current:				
Public safety	35,222	56,226	45,048	11,178
Capital outlay	5,000	4,176	-	4,176
Debt service:				
Principal	-	-	11,758	(11,758)
Interest	-	-	1,877	(1,877)
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	40,222	60,402	58,683	1,719
Excess (deficiency) of revenues over expenditures	(4,222)	(4,402)	5,079	9,481
Other Financing Sources (Uses):				
Transfers in	-	-	1,041	1,041
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in cash	(4,222)	(4,402)	6,120	10,522
Cash balance, beginning of year	7,531	7,531	7,531	-
Restricted cash conversion	-	-	957	957
	<hr/>	<hr/>	<hr/>	<hr/>
Cash balance, end of year	<u>\$ 3,309</u>	<u>\$ 3,129</u>	<u>\$ 14,608</u>	<u>\$ 11,479</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**RECONCILIATION BUDGETARY COMPARISON STATEMENTS**  
**AND STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Farm and Range</u>	<u>Recreation</u>	<u>County Clerk's Equipment</u>
<b>Sources/Inflows of Resources:</b>			
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement.	\$ 16,683	\$ 603	\$ 7,608
<b>Differences - Budget to GAAP:</b>			
Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes.	<u>-</u>	<u>(72)</u>	<u>(350)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances.	<u><u>\$ 16,683</u></u>	<u><u>\$ 531</u></u>	<u><u>\$ 7,258</u></u>
<b>Uses/Outflows of Resources:</b>			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement.	\$ 16,330	\$ -	\$ 10,556
<b>Differences - Budget to GAAP:</b>			
The County budgets for claims and expenses paid for during the current accounting period. Accrual of liabilities are not included in the budgetary basis but are expenses for financial reporting purposes.	<u>176</u>	<u>-</u>	<u>(98)</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances.	<u><u>\$ 16,506</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 10,458</u></u>
<b>Other Sources (Uses) of Resources:</b>			
Actual amounts (budgetary basis) transfers in and (out) from the budgetary comparison statement	\$ -	\$ -	\$ -
<b>Differences - Budget to GAAP:</b>			
None.	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances.	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**RECONCILIATION BUDGETARY COMPARISON STATEMENTS**  
**AND STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Airport</u>	<u>Reappraisal</u>	<u>County Fairgrounds</u>	<u>Ambulance</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement.	\$ -	\$ 22,716	\$ -	\$ 118,567
Differences - Budget to GAAP:				
Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes.	<u>-</u>	<u>(181)</u>	<u>-</u>	<u>7,972</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ -</u>	<u>\$ 22,535</u>	<u>\$ -</u>	<u>\$ 126,539</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement.	\$ 3,475	\$ 27,105	\$ 3,639	\$ 126,865
Differences - Budget to GAAP:				
The County budgets for claims and expenses paid for during the current accounting period. Accrual of liabilities are not included in the budgetary basis but are expenses for financial reporting purposes.	<u>(183)</u>	<u>454</u>	<u>(228)</u>	<u>(3,780)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ 3,292</u>	<u>\$ 27,559</u>	<u>\$ 3,411</u>	<u>\$ 123,085</u>
Other Sources (Uses) of Resources:				
Actual amounts (budgetary basis) transfers in and (out) from the budgetary comparison statement.	\$ 4,000	\$ -	\$ 4,000	\$ -
Differences - Budget to GAAP:				
None.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances.	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**RECONCILIATION BUDGETARY COMPARISON STATEMENTS**  
**AND STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Emergency Medical Services	Indigent	Medicaid	Enhanced 911
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement.	\$ 86,811	\$ 11,670	\$ -	\$ 510,947
Differences - Budget to GAAP:				
Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes.	<u>64</u>	<u>6,454</u>	<u>-</u>	<u>(68)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ 86,875</u>	<u>\$ 18,124</u>	<u>\$ -</u>	<u>\$ 510,879</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement.	\$ 74,101	\$ -	\$ 18,792	\$ 510,821
Differences - Budget to GAAP:				
The County budgets for claims and expenses paid for during the current accounting period. Accrual of liabilities are not included in the budgetary basis but are expenses for financial reporting purposes.	<u>(4,968)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ 69,133</u>	<u>\$ -</u>	<u>\$ 18,792</u>	<u>\$ 510,821</u>
Other Sources (Uses) of Resources:				
Actual amounts (budgetary basis) transfers in and (out) from the budgetary comparison statement.	\$ -	\$ -	\$ 18,792	\$ -
Differences - Budget to GAAP:				
None.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,792</u>	<u>\$ -</u>

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**STATE OF NEW MEXICO  
CATRON COUNTY**  
RECONCILIATION BUDGETARY COMPARISON STATEMENTS  
AND STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	20 <u>Communities</u>	<u>Corrections</u>	<u>Law Enforcement</u>	<u>Confiscated Drugs</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement.	\$ 24,601	\$ 70,708	\$ 30,208	\$ 23
Differences - Budget to GAAP:				
Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes.	<u>103,320</u>	<u>14,409</u>	<u>-</u>	<u>(18)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ 127,921</u>	<u>\$ 85,117</u>	<u>\$ 30,208</u>	<u>\$ 5</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement.	\$ 31,601	\$ 63,420	\$ 22,907	\$ -
Differences - Budget to GAAP:				
The County budgets for claims and expenses paid for during the current accounting period. Accrual of liabilities are not included in the budgetary basis but are expenses for financial reporting purposes.	<u>96,320</u>	<u>(9,482)</u>	<u>-</u>	<u>-</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ 127,921</u>	<u>\$ 53,938</u>	<u>\$ 22,907</u>	<u>\$ -</u>
Other Sources (Uses) of Resources:				
Actual amounts (budgetary basis) transfers in and (out) from the budgetary comparison statement.	\$ -	\$ -	\$ -	\$ -
Differences - Budget to GAAP:				
During the fiscal year, the County transferred loan proceeds held by the fiscal agent to the corrections special revenue fund. For budgetary basis, the County did not recognize loan proceeds. For financial reporting purposes, the County has recognized the loan proceeds.	<u>-</u>	<u>181,867</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances.	<u>\$ -</u>	<u>\$ 181,867</u>	<u>\$ -</u>	<u>\$ -</u>

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**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**RECONCILIATION BUDGETARY COMPARISON STATEMENTS**  
**AND STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	COPS Grant	Legal	Quemado
Sources/Inflows of Resources:			
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement.	\$ 4	\$ 20	\$ 47,942
Differences - Budget to GAAP:			
Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes.	<u>1</u>	<u>(16)</u>	<u>1,970</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ 5</u>	<u>\$ 4</u>	<u>\$ 49,912</u>
Uses/Outflows of Resources:			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement.	\$ -	\$ -	\$ 45,165
Differences - Budget to GAAP:			
The County budgets for claims and expenses paid for during the current accounting period. Accrual of liabilities are not included in the budgetary basis but are expenses for financial reporting purposes.	<u>-</u>	<u>-</u>	<u>1,648</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,813</u>
Other Sources (Uses) of Resources:			
Actual amounts (budgetary basis) transfers in and (out) from the budgetary comparison statement.	\$ -	\$ -	\$ -
Differences - Budget to GAAP:			
None.	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**RECONCILIATION BUDGETARY COMPARISON STATEMENTS**  
**AND STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Datil</u>	<u>Glenwood</u>	<u>Pie Town</u>	<u>Rancho Grande</u>
Sources/Inflows of Resources:				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement.	\$ 57,162	\$ 43,535	\$ 65,542	\$ 43,436
Differences - Budget to GAAP:				
Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes.	<u>98,937</u>	<u>(519)</u>	<u>286</u>	<u>(627)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ 156,099</u>	<u>\$ 43,016</u>	<u>\$ 65,828</u>	<u>\$ 42,809</u>
Uses/Outflows of Resources:				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement.	\$ 366,896	\$ 23,128	\$ 267,733	\$ 32,804
Differences - Budget to GAAP:				
The County budgets for claims and expenses paid for during the current accounting period. Accrual of liabilities are not included in the budgetary basis but are expenses for financial reporting purposes.	<u>115,324</u>	<u>861</u>	<u>(1,692)</u>	<u>(362)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ 482,220</u>	<u>\$ 23,989</u>	<u>\$ 266,041</u>	<u>\$ 32,442</u>
Other Sources (Uses) of Resources:				
Actual amounts (budgetary basis) transfers in and (out) from the budgetary comparison statement.	\$ -	\$ -	\$ -	\$ -
Differences - Budget to GAAP:				
None.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances.	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**RECONCILIATION BUDGETARY COMPARISON STATEMENTS**  
**AND STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Luna	Mogollon	Apache Creek	Horse Mountain
<b>Sources/Inflows of Resources:</b>				
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement.	\$ 43,396	\$ 43,421	\$ 139,309	\$ 45,745
<b>Differences - Budget to GAAP:</b>				
Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes.	(375)	(446)	(48)	(1,226)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances.	\$ 43,021	\$ 42,975	\$ 139,261	\$ 44,519
<b>Uses/Outflows of Resources:</b>				
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison statement.	\$ 38,351	\$ 27,814	\$ 122,588	\$ 46,484
<b>Differences - Budget to GAAP:</b>				
The County budgets for claims and expenses paid for during the current accounting period. Accrual of liabilities are not included in the budgetary basis but are expenses for financial reporting purposes.	(5,896)	-	(18,246)	(1,433)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances.	\$ 32,455	\$ 27,814	\$ 104,342	\$ 45,051
<b>Other Sources (Uses) of Resources:</b>				
Actual amounts (budgetary basis) transfers in and (out) from the budgetary comparison statement.	\$ -	\$ -	\$ -	\$ -
<b>Differences - Budget to GAAP:</b>				
During the fiscal year, the County transferred loan proceeds held by the fiscal agent to the Mogollon Fire Special Revenue Fund. For budgetary basis, the County did not recognize loan proceeds. For financial reporting purposes, the County has recognized the loan proceeds.	-	76,125	-	-
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balances.	\$ -	\$ 76,125	\$ -	\$ -

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**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**RECONCILIATION BUDGETARY COMPARISON STATEMENTS**  
**AND STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND BALANCES – SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Quemado Lake</u>	<u>Coyote Creek</u>	<u>Wild Horse</u>
Sources/Inflows of Resources:			
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement.	\$ 44,267	\$ 43,469	\$ 63,762
Differences - Budget to GAAP:			
Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes.	<u>(1,191)</u>	<u>(76)</u>	<u>132</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ 43,076</u>	<u>\$ 43,393</u>	<u>\$ 63,894</u>
Uses/Outflows of Resources:			
Actual amounts (budgetary basis) "total charges for appropriations" for the budgetary comparison statement.	\$ 38,456	\$ 117,948	\$ 58,683
Differences - Budget to GAAP:			
The County budgets for claims and expenses paid for during the current accounting period. Accrual of liabilities are not included in the budgetary basis but are expenses for financial reporting purposes.	<u>20,243</u>	<u>(610)</u>	<u>525</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances.	<u>\$ 58,699</u>	<u>\$ 117,338</u>	<u>\$ 59,208</u>
Other Sources (Uses) of Resources:			
Actual amounts (budgetary basis) transfers in and (out) from the budgetary comparison statement.	\$ -	\$ -	\$ 1,041
Differences - Budget to GAAP:			
During the fiscal year, the County transferred loan proceeds held by the fiscal agent to the Quemado Lake Fire Special Revenue Fund. For budgetary basis, the County did not recognize loan proceeds. For financial reporting purposes, the County has recognized the loan proceeds.	<u>101,500</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures, and changes in fund balances.	<u>\$ 101,500</u>	<u>\$ -</u>	<u>\$ 1,041</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variances With Final Budget Over (Under)
Revenues:				
Intergovernmental	\$ 1,597,914	\$ 1,645,579	\$ 340,035	\$ (1,305,544)
Expenditures:				
Capital outlay	1,590,581	1,638,246	1,099,425	538,821
Net change in cash balance	7,333	7,333	(759,390)	(766,723)
Cash balance, beginning of year	-	-	-	-
Cash advanced from general fund	-	-	759,390	759,390
Cash balance, end of year	<u>\$ 7,333</u>	<u>\$ 7,333</u>	<u>\$ -</u>	<u>\$ (7,333)</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
RECONCILIATION BUDGETARY COMPARISON STATEMENT  
AND STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND BALANCES – CAPITAL PROJECT FUND  
FOR THE YEAR ENDED JUNE 30, 2009

Sources/Inflows of Resources:	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement.	\$ 340,035
Differences - Budget to GAAP:	
Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes.	<u>572,472</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances.	<u><u>\$ 912,507</u></u>
Uses/Outflows of Resources:	
Actual amounts (budgetary basis) "total charges for appropriations" from the budgetary comparison statement.	\$ 1,099,425
Differences - Budget to GAAP:	
The County budgets for claims and expenses paid for during the current accounting period. Accrual of liabilities are not included in the budgetary basis but are expenses for financial reporting purposes.	<u>(27,976)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances.	<u><u>\$ 1,071,449</u></u>
Other Sources (Uses) of Resources:	
Actual amounts (budgetary basis) transfers in and (out) and loan proceeds from the budgetary comparison statement.	\$ -
Differences - Budget to GAAP:	
None.	<u>-</u>
Total other financing sources (uses) as reported on the statement of revenues, expenditures, and changes in fund balances.	<u><u>\$ -</u></u>

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**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**LANDFILL ENTERPRISE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN CASH BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variances With Final Budget Over (Under)</u>
Operating Revenues:				
Charges for services	\$ 160,500	\$ 160,500	\$ 157,889	\$ (2,611)
Operating Expenses:				
Personnel services	131,400	131,400	172,661	(41,261)
General operating	96,300	96,300	67,914	28,386
Capital outlay	<u>287,000</u>	<u>242,750</u>	<u>45,400</u>	<u>197,350</u>
Total operating expenses	<u>514,700</u>	<u>470,450</u>	<u>285,975</u>	<u>184,475</u>
Operating income (loss)	(354,200)	(309,950)	(128,086)	181,864
Non-Operating Revenues (Expenses):				
State shared taxes	20,000	20,000	11,670	(8,330)
Intergovernmental	272,000	227,750	26,992	(200,758)
Interest income	<u>1,000</u>	<u>1,000</u>	<u>283</u>	<u>(717)</u>
Total non-operating revenues and (expenses)	<u>293,000</u>	<u>248,750</u>	<u>38,945</u>	<u>(209,805)</u>
Income (loss) before other financing sources (uses)	(61,200)	(61,200)	(89,141)	(27,941)
Other Financing Sources (Uses):				
Transfers in	<u>60,000</u>	<u>90,000</u>	<u>90,000</u>	<u>-</u>
Net change in cash balance	(1,200)	28,800	859	(27,941)
Cash balance, beginning of year	<u>5,532</u>	<u>5,532</u>	<u>5,532</u>	<u>-</u>
Cash balance, end of year	<u>\$ 4,332</u>	<u>\$ 34,332</u>	<u>\$ 6,391</u>	<u>\$ (27,941)</u>

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

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**RECONCILIATION BUDGETARY COMPARISON STATEMENT**  
**AND STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS – LANDFILL ENTERPRISE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Landfill Fund
<b>Sources/Inflows of Operating Resources:</b>	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison statement.	\$ 157,889
<b>Differences - Budget to GAAP:</b>	
Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes.	6,200
Total operating revenues as reported on the statement of revenues, expenses, and changes in fund net assets	\$ 164,089
<b>Uses/Outflows of Operating Resources:</b>	
Actual amounts (budgetary basis) "operating expenses" from the budgetary comparison statement.	\$ 285,975
<b>Differences - Budget to GAAP:</b>	
The County budgets for claims and expenses paid for during the current accounting period. Accrual of liabilities are not included in the budgetary basis but are expenses for financial reporting purposes.	190
The County budgets for salaries paid for during the current accounting period. Accrual of salaries are not included in the budgetary basis but are expenses for financial reporting purposes.	1,735
The County does not budget for bad debts expense. Bad debts are reflected as an operating expense for financial reporting purposes.	(45,400)
Depreciation expense is not considered an outflow of operating resources for budgetary basis but is considered an expense for financial reporting purposes.	12,585
Total operating expenses as reported on the statement of revenues, expenses, and changes in fund net assets	\$ 255,085
<b>Sources/Inflows of Non-Operating Resources:</b>	
Actual amounts (budgetary basis) "non-operating revenues" from the budgetary comparison statement.	\$ 38,945
<b>Differences - Budget to GAAP:</b>	
Accrual of revenues and associated receivables that are not considered an inflow or revenues for budgetary basis but are considered revenues for financial purposes.	34,523
Total non-operating revenues as reported on the statement of revenues, expenses, and changes in fund net assets	\$ 73,468

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**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
RECONCILIATION BUDGETARY COMPARISON STATEMENT  
AND STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS – LANDFILL ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2009

	Landfill Fund
Other Sources of Resources:	
Actual amounts (budgetary basis) "transfers in" from the budgetary comparison statement.	\$ 90,000
Differences - Budget to GAAP:	
None.	-
Total other sources of resources as reported on the statement of revenues, expenses, and changes in fund net assets.	\$ 90,000

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## **SUPPLEMENTAL FINANCIAL INFORMATION**

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**SCHEDULE OF CHANGES IN ASSETS**  
**AND LIABILITIES FOR THE AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Balance 06/30/08	Increases/ Receipts	Decreases/ Disbursements	Balance 06/30/09
<b>Property Tax Fund</b>				
Assets:				
Cash	\$ 7,116	\$ 535,838	\$ 532,799	\$ 10,155
Taxes receivable	56,185	530,137	533,176	53,146
Total assets	<u>\$ 63,301</u>	<u>\$ 1,065,975</u>	<u>\$ 1,065,975</u>	<u>\$ 63,301</u>
Liabilities:				
Deposits held for others	\$ 7,116	\$ 535,553	\$ 532,514	\$ 10,155
Due to other tax units - future collections	56,185	529,852	532,891	53,146
Total liabilities	<u>\$ 63,301</u>	<u>\$ 1,065,405</u>	<u>\$ 1,065,405</u>	<u>\$ 63,301</u>
<b>Children's Trust Fund</b>				
Assets:				
Cash	<u>\$ -</u>	<u>\$ 285</u>	<u>\$ 285</u>	<u>\$ -</u>
Liabilities:				
Deposits held for others	<u>\$ -</u>	<u>\$ 285</u>	<u>\$ 285</u>	<u>\$ -</u>
<b>Total Agency Funds</b>				
Assets:				
Cash	\$ 7,116	\$ 536,123	\$ 533,084	\$ 10,155
Taxes receivable	56,185	530,137	533,176	53,146
Total assets	<u>\$ 63,301</u>	<u>\$ 1,066,260</u>	<u>\$ 1,066,260</u>	<u>\$ 63,301</u>
Liabilities:				
Deposits held for others	\$ 7,116	\$ 535,838	\$ 532,799	\$ 10,155
Due to other tax units - future collections	56,185	529,852	532,891	53,146
Total liabilities	<u>\$ 63,301</u>	<u>\$ 1,065,690</u>	<u>\$ 1,065,690</u>	<u>\$ 63,301</u>

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**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**SCHEDULE OF GENERAL ADMINISTRATIVE REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget Over (Under)
<b>Revenues:</b>				
Taxes - local effort	\$ 1,062,731	\$ 1,062,731	\$ 1,075,023	\$ 12,292
Taxes - state shared	178,500	178,500	164,486	(14,014)
Intergovernmental	1,042,352	1,046,852	1,791,595	744,743
Licenses and permits	41,700	41,700	26,020	(15,680)
Charges for services	34,500	34,500	26,038	(8,462)
Interest	89,000	89,000	56,523	(32,477)
Miscellaneous	40,251	230,330	246,356	16,026
<b>Total revenues</b>	<b>2,489,034</b>	<b>2,683,613</b>	<b>3,386,041</b>	<b>702,428</b>
<b>Expenditures:</b>				
<b>Commissioners:</b>				
Salaries	138,323	139,823	139,783	40
Operating expenses	336,338	554,217	541,823	12,394
Capital outlay	500	500	-	500
<b>Sub-total</b>	<b>475,161</b>	<b>694,540</b>	<b>681,606</b>	<b>12,934</b>
<b>Sheriff:</b>				
Salaries	342,829	342,829	347,383	(4,554)
Operating expenses	405,078	405,078	377,433	27,645
Capital outlay	5,000	5,000	-	5,000
<b>Sub-total</b>	<b>752,907</b>	<b>752,907</b>	<b>724,816</b>	<b>28,091</b>
<b>Medical Building:</b>				
Operating expenses	31,500	31,500	29,914	1,586
<b>Clerk:</b>				
Salaries	103,468	103,468	86,980	16,488
Operating expenses	104,730	104,730	78,393	26,337
<b>Sub-total</b>	<b>208,198</b>	<b>208,198</b>	<b>165,373</b>	<b>42,825</b>
<b>Bureau of Elections:</b>				
Operating expenses	51,200	51,200	28,345	22,855
<b>Assessor:</b>				
Salaries	122,919	122,919	123,343	(424)
Operating expenses	132,407	132,407	104,206	28,201
Capital outlay	500	500	-	500
<b>Sub-total</b>	<b>255,826</b>	<b>255,826</b>	<b>227,549</b>	<b>28,277</b>
<b>Treasurer:</b>				
Salaries	75,482	75,482	75,367	115
Operating expenses	91,164	92,164	86,761	5,403
<b>Sub-total</b>	<b>166,646</b>	<b>167,646</b>	<b>162,128</b>	<b>5,518</b>

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**SCHEDULE OF GENERAL ADMINISTRATIVE REVENUES AND EXPENDITURES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL ON BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance With Final Budget Over (Under)
Expenditures:				
Community Services:				
Operating expenses	52,980	52,980	48,236	4,744
Glenwood Park:				
Operating expenses	3,700	3,700	355	3,345
Probate Judge:				
Salaries	8,220	8,220	8,121	99
Operating expenses	10,119	10,119	4,892	5,227
Sub-total	18,339	18,339	13,013	5,326
Wildland Prevention:				
Operating expenses	190,000	190,000	199,530	(9,530)
AG Extension Agent:				
Operating expenses	54,385	54,385	54,384	1
Communications:				
Operating expenses	15,000	15,000	3,539	11,461
Health Council:				
Operating expenses	80,000	80,000	68,198	11,802
Social Services:				
Operating expenses	1,350	1,350	-	1,350
Certified Communities:				
Operating expenses	-	5,700	-	5,700
Grant Research:				
Operating expenses	30,000	57,000	43,242	13,758
Economic Development:				
Operating expenses	1,000	7,500	9,416	(1,916)
Total expenditures	2,388,192	2,647,771	2,459,644	188,127
Excess (deficiency) of revenues over expenditures	100,842	35,842	926,397	890,555
Other Financing Sources (Uses):				
Transfers in	-	100,000	-	(100,000)
Transfers (out)	(141,041)	(221,041)	(117,833)	103,208
Total other financing sources (uses)	(141,041)	(121,041)	(117,833)	3,208
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	\$ (40,199)	\$ (85,199)	\$ 808,564	\$ 893,763
Cash available at beginning of year to absorb budget deficit	\$ 40,199	\$ 85,199	N/A	N/A

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**SCHEDULE OF CASH ACCOUNTS**  
**JUNE 30, 2009**

Financial Institution/ Account Description	Type of Account	Financial Institution Balance	Reconciling Items	Reconciled Balance
First State Bank 697 Highway 12 Reserve, NM 87830				
Catron County	Checking	\$ 2,703,111	\$ (456,962)	\$ 2,246,149
Certificate of Deposit	CD	200,000	-	200,000
Certificate of Deposit	CD	200,000	-	200,000
Certificate of Deposit	CD	200,000	-	200,000
Certificate of Deposit	CD	250,000	-	250,000
Certificate of Deposit	CD	250,000	-	250,000
Certificate of Deposit	CD	250,000	-	250,000
Certificate of Deposit	CD	300,000	-	300,000
Certificate of Deposit	CD	300,000	-	300,000
Total First State Bank		<u>\$ 4,653,111</u>	<u>\$ (456,962)</u>	<u>\$ 4,196,149</u>

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**SCHEDULE OF PLEDGED COLLATERAL**  
**JUNE 30, 2009**

First State Bank  
697 Highway 12  
Reserve, New Mexico 87830

Security	CUSIP	Maturity	Market Value	Par Value
FHLB Non CBL	3133XN4B2	12/09/22	\$ 2,526,378	\$ -
Roosevelt County Tax Rev	776461APO	06/01/20	-	190,000
Roosevelt County Tax Rev	776461AQ8	06/01/21	-	195,000
Roosevelt County Tax Rev	776461AR6	06/01/22	-	205,000
Roosevelt County Tax Rev	776461AS4	06/01/23	-	65,000
Total			<u>\$ 2,526,378</u>	<u>\$ 655,000</u>

The holder of the FHBL Non CBL security pledged by First State Bank is the Federal Reserve Bank of Boston, 600 Atlantic Avenue, Boston, Massachusetts. The holder of the Roosevelt County Tax Rev securities pledged by First State Bank is Bank of America, 200 N. College Street, Charlotte, NC 28255.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**SCHEDULE OF TAX ROLL RECONCILIATION -**  
**CHANGES IN PROPERTY TAXES RECEIVABLES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Property taxes receivable, beginning of year	\$ 159,138
Changes to Tax Roll:	
Net taxes charged to treasurer for fiscal year	1,624,665
Adjustments:	
Net adjustments and charge-offs	<u>(5,316)</u>
Total receivables prior to collections	1,778,487
Collections for fiscal year ended June 30, 2009	<u>(1,617,619)</u>
Property taxes receivable, end of year	<u><u>\$ 160,868</u></u>

Property taxes receivable by years:	
1996	\$ 4,285
1997	604
1998	-
1999	1,482
2000	481
2001	3,260
2002	1,295
2003	13,686
2004	2,356
2005	6,972
2006	7,710
2007	29,095
2008	<u>89,642</u>
Total property taxes receivable, end of year	<u><u>\$ 160,868</u></u>

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
**SCHEDULE OF TAX COLLECTIONS AND DISTRIBUTIONS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

Agency	Undistributed Taxes 06/30/08	Adjustments	Collections	Distributions	Undistributed Taxes 06/30/09
<b>Catron County:</b>					
Current advalorem	\$ -	\$ -	\$ 1,023,145	\$ 1,023,145	\$ -
Delinquent advalorem	-	-	51,878	51,878	-
Administration fee	-	-	1,233	1,233	-
Re-appraisal	-	-	16,165	16,165	-
Total	-	-	1,092,421	1,092,421	-
<b>Special Districts:</b>					
Sierra Soil & Water District	-	-	194	194	-
<b>Municipalities:</b>					
Village of Reserve	-	-	10,465	10,465	-
<b>State of New Mexico:</b>					
State levy	-	-	132,680	132,680	-
Cattle levy	-	-	52,541	52,541	-
Sheep/goat levy	-	-	82	82	-
Equine/horse levy	-	-	627	627	-
Dairy cattle levy	-	-	2	2	-
State P & I	-	-	2,278	2,278	-
Costs to State	-	-	630	630	-
Total	-	-	188,840	188,840	-
<b>Reserve:</b>					
Operational	-	-	18,826	18,826	-
<b>Quemado Schools:</b>					
Operational	-	-	26,463	26,463	-
Debt service	-	-	149,440	149,440	-
Capital improvements	-	-	133,988	133,988	-
Total	-	-	309,891	309,891	-
<b>Miscellaneous:</b>					
Overpayment	1,992	(1,448)	7,999	4,540	4,003
Taxes paid in advance	5,124	1,448	-	420	6,152
Total	7,116	-	7,999	4,960	10,155
Children's Trust Fund	-	-	285	285	-
Grand Total	<u>\$ 7,116</u>	<u>\$ -</u>	<u>\$ 8,284</u>	<u>\$ 5,245</u>	<u>\$ 10,155</u>



**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
COUNTY TREASURER'S - PROPERTY TAX SCHEDULE  
JUNE 30, 2009

Year	Property Taxes Levied	Collected Current Year	Collected To Date	Distributed Current Year	Distributed To Date	County Receivable at Year End
<b>Advalorem</b>						
1996	\$ 993,380	\$ -	\$ 989,095	\$ -	\$ 989,095	\$ 4,285
1997	895,018	-	894,414	-	894,414	604
1998	772,845	-	772,845	-	772,845	-
1999	803,818	-	802,336	-	802,336	1,482
2000	808,320	882	807,839	882	807,839	481
2001	953,738	146	950,478	146	950,478	3,260
2002	1,094,611	199	1,093,316	199	1,093,316	1,295
2003	1,136,057	250	1,122,371	250	1,122,371	13,686
2004	988,313	1,296	985,957	1,296	985,957	2,356
2005	1,136,315	1,472	1,129,343	1,472	1,129,343	6,972
2006	1,250,899	11,158	1,243,189	11,158	1,243,189	7,710
2007	1,422,549	67,193	1,393,454	67,193	1,393,454	29,095
2008	1,624,665	1,535,023	1,535,023	1,535,023	1,535,023	89,642
	<u>\$ 13,880,528</u>	<u>\$ 1,617,619</u>	<u>\$ 13,719,660</u>	<u>\$ 1,617,619</u>	<u>\$ 13,719,660</u>	<u>\$ 160,868</u>

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2009

Catron County has a joint powers agreement with the New Mexico Energy, Minerals and Natural Resources Department (EMNRD) to construct fuel breaks and thin dense stands of trees on approximately 150 acres of private land involving 50 landowners. EMNRD and the County entered into this agreement for administrative efficiency so that several projects could be carried out through a single program. This is a coordinated effort between the United States Forest Service, Bureau of Land Management, Catron County and private citizens of the county began September 18, 2003. Completion of all projects is expected within eighteen to twenty-four months of start-up; however, the agreement continues indefinitely upon written notification from EMNRD to the County. Each party is responsible for its own part of the operation of this Wildland Urban Interface (WUI) project. The audit responsibility for receipts and disbursement rests with the entity that incurs the expenditure associated with this project.

Catron County has a joint powers agreement with the Village of Reserve to maintain certain streets within its corporate limits. It is an agreement that is renewed annually. The Village pays Catron County the sum of one dollar annually for such services. In exchange for providing road maintenance services, the Village of Reserve provides fire protection services within the incorporated limits of the Village and surrounding area through the Village of Reserve Volunteer Fire Department. The audit responsibility rests with the entity that incurs the expenditures associated with this agreement.

Catron County has a joint powers agreement with the Village of Reserve to provide law enforcement protection and service to the Village by and through the Catron County Sheriff's office. It is an agreement that is for the period commencing July 1, 2008 through June 30, 2009. The agreement may be continued for additional terms subject to the agreement of the parties. The Village pays Catron County the sum of \$32,000 for such services. The audit responsibility rests with the entity that incurs the expenditures associated with this agreement.

Catron County entered into a joint powers agreement for the purpose of creating a three member San Francisco Water Commission. The parties involved are Catron County, Village of Reserve, and San Francisco Soil and Water Conservation District. The purposes of the agreement are to:

1. protect and utilize future and existing water rights and water resources of the parties;
2. provide for equitable distribution of project water rights and untreated water resources;
3. provide a mechanism for the parties to acquire, bank, finance, protect and conserve additional water rights and water resources as though each were acting on its own authority and;
4. Provide a mechanism for implementation of the plans or projects with reference to water rights, right to water, and the use and development of untreated water and untreated water resources.

Detailed records of all transaction of the Commission shall be kept and maintained by the Commission and shall be open for inspection and audit at all reasonable times by any member of the Commission. The agreement was approved by Department of Finance and Administration on May 25, 2004.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
SCHEDULE OF JOINT POWERS AGREEMENTS  
JUNE 30, 2009

The County has a memorandum of understanding (MOU) between Catron County and the U.S. Forest Service, Gila National Forest. The MOU was created to establish a mutually harmonious and productive planning relationship between the County and the Forest. The MOU addresses how and when each agency participates in Forest and County planning processes. The audit responsibility for costs incurred under this MOU rests with the agency that incurs the expenditure.

**ADDITIONAL INDEPENDENT AUDITORS' REPORT**

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Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed In Accordance with *Government Auditing Standards*

Hector H. Balderas, State Auditor  
and  
Board of Commissioners  
Catron County  
Reserve, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison statements for each major fund of Catron County as of and for the year ended June 30, 2009, and have issued our report thereon dated June 24, 2010, which was adverse on the governmental activities because the County did not record depreciation expense and accumulated depreciation. Our opinion on the business-type activities was qualified because we were unable to obtain sufficient, competent evidence supporting the amounts reflected as property, equipment, and depreciation expense. We also have audited the financial statements of each of the County's nonmajor governmental funds and the respective budgetary comparison statements for each nonmajor special revenue funds and enterprise fund presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, which the nonmajor enterprise fund was qualified because we were unable to obtain sufficient, competent evidence supporting the amounts reflected as property, equipment, and depreciation expense and the nonmajor funds were qualified because we were unable to obtain sufficient, competent evidence regarding potential liabilities and claims. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting as items 2006-02, 2006-04, 2006-05, 2006-06, 2006-07, 2006-08, 2008-01, 2008-02, 2008-03, and 2009-05.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that 2006-04, 2006-05, 2006-06, 2006-07, 2006-08, 2008-01, 2008-02, 2008-03 and 2009-05 of the significant deficiencies described above are material weaknesses.

### **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 2006-09, 2006-13, 2008-06, 2009-01, 2009-02, and 2009-04.

We noted a certain matters that is required to be reported under *Government Auditing Standards* January 2007 Revision paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which is described in the accompanying schedule of findings and responses as items 2007-05, 2008-04, and 2009-03.

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

This report is intended solely for the information and use of the board of commissioners, management, others within the County, the New Mexico State Auditor, the New Mexico State Legislature and its committees, New Mexico Department of Finance and Administration and is not intended to be and should not be used by anyone other than these specified parties.



Fierro & Fierro, P.A.  
Las Cruces, New Mexico

June 24, 2010

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2009

*Item 2006-02 – Agency Credit Cards*

**Statement of Condition** – During our testing of the purchase of goods with a credit card, we discovered the following items. Our audit sample was twelve credit card payments that totaled \$8,413. We noted four instances where there were no receipts attached. The missing receipts are for fuel and vehicle maintenance for the Sheriff's department. The total dollar amount of the missing receipts was \$250.

**Criteria** – The County has established written internal control procedures where the necessary supporting documentation, such as a third party receipt, must be presented prior to approval for payment. Further, the County's procurement policy requires the preparation of a purchase requisition and/or a purchase order for all purchases to ensure authorization, and to ensure that the purchase meets budget restrictions.

**Effect** – If the County does not prepare a purchase order or requisition, it runs the risk that purchases may be made in excess of the approved budget limitations. By not having receipts to support the purchase, the County cannot determine whether or not they are paying for items that were for County use.

**Cause** – County staff failed to turn in all required documentation that supports the expenditure.

**Recommendation** – We recommend that the County review its policies and procedures concerning the authorized use of its credit cards. After such review, all necessary changes or adjustments should be instituted as soon as possible.

**Views of Responsible Officials and Planned Corrective Actions** – We continue to remind credit card users that they are required to provide the manager's office with the receipts from credit card usage. New administrative personnel in the Sheriff's office may help.

*Item 2006-04 – Capital Asset Subsidiary Records and Depreciation Expense*

**Statement of Condition** – The County has not maintained complete and accurate capital asset subsidiary records that detail all property and equipment owned by the County. Since the County does not have a detailed list of assets owned, the County is unable to calculate depreciation expense for the governmental activities. Additionally, the County is unable to substantiate the depreciation expense recorded for the enterprise fund. This is a repeat condition.

**Criteria** – New Mexico State Statutes Section 12-6-10 directs the general services department to promulgate regulations to state agencies for the accounting and control of fixed assets owned by government agencies. The New Mexico State Administrative Code, Title 2, Chapter 20, Part 1, *Accounting and Control of Fixed Assets of State Government, Accounting for Acquisitions and Establishing Controls* issued by the general services department, requires that the County implement a systematic and well documented system for accounting of fixed assets. The information to be recorded and maintained must include, at a minimum, the following:

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2009

Item 2006-04 – Capital Asset Subsidiary Records and Depreciation Expense (continued)

**Criteria (continued) –**

- 1) Agency name.
- 2) Fixed asset number.
- 3) A description using words meaningful for identification.
- 4) Location.
- 5) Manufacturer's name.
- 6) Model number or model name.
- 7) Serial number or vehicle identification number.
- 8) Estimated useful life.
- 9) Date acquired.
- 10) Cost.
- 11) Fund and organization that purchased the asset.

The accounting system must be capable of generating lists of capital assets in sequences useful for managing them. The system must track all transactions, including acquisitions, depreciation, improvements and dispositions. The system must generate all necessary accounting entries to the County's general ledger.

**Effect** – The County is not in compliance with New Mexico State Administrative Code 2.20.1. Non-compliance with New Mexico State Statutes and the Administrative Code subjects the governing board and management to penalties and punishment defined by State statute. Inadequate subsidiary capital asset records could allow assets to be lost or stolen, and the missing asset would not be detected in a timely manner. Further, material variances between the financial statements/general ledger and subsidiary ledgers can occur and the ability to reconcile the variances is quickly lost. The inability to maintain adequate subsidiary capital assets and the non-recording of depreciation expense has caused an adverse opinion on the governmental activities of the County.

**Cause** – The County's management has failed in maintaining an adequate subsidiary accounting system for capital assets owned by the County. The passage of years and poor record keeping has magnified the differences between amounts recorded on the general ledger and subsidiary fixed assets records. Those charged with governance and management have not placed high priority or resources on the internal control process and on the accounting for the capital assets owned by the County.

**Recommendations** – We recommend that the County establish a capital asset accounting system that meets the criteria established by the New Mexico Administrative Code 2.20.1. Further, the County must reconcile the fixed assets subsidiary records with the general ledger. The County's historical records should be used to reconstruct the fixed assets subsidiary accounting ledgers. If historical records are inadequate, the County should seek the assistance from a valuation firm in order to reconstruct the historical value of capital assets owned.



**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2009

*Item 2006-04 – Capital Asset Subsidiary Records and Depreciation Expense (continued)*

**Views of Responsible Officials and Planned Corrective Actions** – Current funding levels and the sheer magnitude of this effort has thus far kept us from pursuing the inventory and depreciation schedule work that needs to be done to pull this item into compliance. Our desire is to resolve this finding in the future.

*Item 2006-05 – Capital Assets – Inventory Control Numbers*

**Statement of Condition** – The County did not place identification tags on its newly acquired assets, and did not add the new assets to its subsidiary capital assets records. Furthermore, the County has not placed identification tags on any assets purchased within the last five years.

**Criteria** – The County’s accounting personnel has the responsibility to tag all newly received capital assets at the time they are received, and to record newly acquired assets as per part 2.20.1.15 NMAC, *Accounting and Control of Fixed Assets of State Government*.

**Effect** – Without tagging the capital assets, the County has not established accountability for their custody and use. Furthermore, by not adding the newly acquired assets to its subsidiary records, the County does not have an accurate record of the capital assets owned by the County.

**Cause** – Those charged with governance and management have not placed high priority or resources on the tagging of all capital assets owned by the County.

**Recommendation** – We recommend that the County expedite the establishment and maintenance of appropriate internal controls over its fixed assets for the primary purpose of safeguarding them, and establishing accountability for their custody and use.

**Views of Responsible Officials and Planned Corrective Actions** – Current funding levels have had a negative effect on plans expressed in previous audits, and we will continue to pursue solutions as funding permits.

*Item 2006-06 – Annual Inventory of Capital Assets*

**Statement of Condition** – When the County last conducted its annual inventory of its capital assets in July 2005, they counted and included on their capital asset listing all expendable supply type items, including, but not limited to, duct tape, book shelves, paper plates, training videos, and wrench sets. The County failed in performing an accurate inventory of capital assets for June 30, 2009.

**Criteria** – According to the Administrative Code, Title 2, Public Finance, Chapter 20, *Accounting by Governmental Entities, Part 1, Accounting and Control of Fixed Assets of State Government, Accounting for Acquisitions and Establishing Controls, 2.20-1.16, Annual Inventory*, the County shall conduct a annual physical inventory of its capital assets consisting of those costs of \$5,000 or more, under the control of the County.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2009

*Item 2006-06 – Annual Inventory of Capital Assets (continued)*

**Effect** – Non-performance of the annual physical inventory of all capital assets owned by the County could allow errors to occur in the capital assets subsidiary records and financial statements. These errors would not be detected on a timely basis. Further, dishonest employees could remove items and the theft would not be detected on a timely basis.

**Cause** – Those charged with the governance of the County and management have not placed high priority or resources on the accounting and reporting of capital assets.

**Recommendation** – We suggest that the County adhere to the administrative order regarding the performance of a complete and accurate annual inventory. Procedures must be established to ensure that County personnel are given clear and concise direction as to what constitutes a capital asset when conducting the annual physical count.

**Views of Responsible Officials and Planned Corrective Actions** – We concur with the Statement of Condition and the auditor's recommendation. Our desire is to identify our major assets (buildings, vehicles, equipment, etc.) and then we will seek assistance from the New Mexico Association of Counties to engage a contractor to complete a reconstruction of the capital assets records, including the tagging of all applicable assets. It is still our objective to complete this issue.

*Item 2006-07 – Landfill Closure and Post-Closure Costs*

**Statement of Condition** – The County has not recorded an expense provision, and related liability, for the future closure and post-closure costs for the landfills located in Pie Town, Datil and Reserve. Nor has the County provided information about how closure and post-closure care financial assurance requirements, if any, are being met. Finally, the County has not provided information of any assets that are restricted for payment of closure and post-closure care costs.

**Criteria** – Governmental Accounting Standards (GASB) pronouncement number 18 establishes standards of accounting and financial reporting for solid waste landfill closure and post-closure care costs that are required by federal, state or local laws and regulations. This statement is based on the October 9, 1991, U.S. Environmental Protection Agency (EPA) rule, *Solid Waste Disposal Facility Criteria*, which establishes closure requirements for all municipal solid waste landfills (MSWLFs) that receive solid waste after October 9, 1991. The EPA rule also establishes thirty-year post-closure care requirements for MSWLFs that accept solid waste after October 9, 1993. The effect of the EPA rule and similar state or local laws or regulations, is to obligate MSWLF owners and operators to perform certain closing functions and post-closure monitoring and maintenance functions as a condition for the right to operate the MSWLF in the current period.

**Effect** – The statement establishes accounting and reporting requirements for MSWLF closure and post-closure costs, which at a minimum will cause owners or operators of such facilities to examine more closely their landfill closing costs. Since such future costs must now be estimated and charged to operations while the landfill is still in use, counties are more likely to incorporate such costs into their current fee structure and possibly even set aside resources to meet the costs of closure and post-closure cash requirements. The County has missed opportunities for such action since they have not adequately addressed this issue.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2009

*Item 2006-07 – Landfill Closure and Post-Closure Costs (continued)*

**Cause** – The County has had many pressing issues that have taken resources and time away from properly addressing this issue.

**Recommendation** – We recommend that County officials expedite the establishment and maintenance of the appropriate internal controls to provide reasonable assurance of compliance with laws and regulations. Further, the County should consult with its engineers to ensure information concerning financial assurance requirements is available and what assets are restricted for payment, if applicable.

**Views of Responsible Officials and Planned Corrective Actions** – The County has retained the services of an engineering firm to prepare closure and post-closure cost analysis, and to assist the county in preparation and submission of grant applications for solid-waste grant opportunities specifically concerned with closure and post-closure issues.

*Item 2006-08 – Tax Roll Reconciliation*

**Statement of Condition** – The County Treasurer is responsible for billing, collecting and distributing property taxes for Catron County and for all governmental entities within the County. The Treasurer is responsible for implementing an accounting system that details for each governmental entity the amount of property taxes levied; collected in the current year; collected to-date; distributed in the current year; distributed to-date; the amount determined to be uncollectible in the current year; the uncollectible amount to-date; and the outstanding receivable balance at the end of the fiscal year. The County is required to report the information described above in a supplementary schedule in its annual audit report. At the present time, the accounting software utilized by the County does not produce the required data and the Treasurer is unable produce the required report.

**Criteria** – The information detailed above is necessary for proper revenue recognition on the part of the County, as well as on the recipient governmental entities as required by Government Accounting Standards Board (GASB) Statement No. 33. In addition, the New Mexico State Auditor Rule, Section 2.2.2.12 D (2), requires that the information described above is presented in a supplementary schedule of the annual audit report.

**Effect** – Without a accounting system in place to ensure proper property tax revenue data is provided to County management and other governmental entities, errors in the revenue recognition could occur and not be detected on a timely basis, which could effect the financial information reporting for both the County and the other governmental entities.

**Cause** – The County relies upon its software vendor to supply the system for reporting under GASB 33. However, because of the numerous changes that have occurred in the recent past due to updates and conversions, some history may have been lost. The current County Treasurer has made numerous requests to the software vendor to provide the necessary accounting data to no avail.

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Item 2006-08 – Tax Roll Reconciliation (continued)

**Recommendation** – We recommend suggest the County communicate with the computer software vendor to stress the importance of obtaining the data described above. If the vendor is unable to produce the necessary reports in a timely manner, the County should consider seeking alternative accounting solutions that would be able to produce the accounting data.

**Views of Responsible Officials and Planned Corrective Actions** – The County continues to work with our current software supplier to resolve this issue.

Item 2006-09 – Legal Compliance with Adopted Budget

**Statement of Condition** – The County's authorized budget within the Enhanced 911 Fund was \$10,000. During the fiscal year, the County expended \$510,821 within the fund. The County exceeded its approved budget by \$500,821. The County's authorized budget within the County Apache Creek Fire Special Revenue Fund was \$116,236. During the fiscal year, the County expended \$122,588 within the fund. The County exceeded its approved budget by \$6,352. The County's authorized budget within the Coyote Creek Fire Special Revenue Fund was \$115,146. During the fiscal year, the County expended \$117,948 within the fund. The County exceeded its approved budget by \$2,802.

**Criteria** – Sections 6-6-6 through 6-6-11 NMSA 1978 Compilation prohibit local governments from making expenditures in excess of the approved budget and make public officials liable for such expenditures. County officials and governing authorities have the obligation to follow applicable state statutes.

**Effect** – Noncompliance with New Mexico State Statutes could subject officials and employees to penalties and fines required by state statutes.

**Cause** – The County personnel did not monitor the expenditures to ensure that they did not exceed the authorized budget authority. Since the money for the County's Enhanced 911 project does not get receipted or expended at the County level, the County has not reflect the revenues or expenses in their accounting records. The project's finances are controlled by DFA.

**Recommendation** – We recommend that the County establish procedures that include a comprehensive mid-year review of its budget. The review will allow the governing body to examine fiscal performance and make budget adjustments, if needed. It should include a comparison of revenues and expenditures to date to the approved budget. A review of planned activity for the last half of the fiscal year should be made and compared to the approved budget. Based on the mid-year review, a resolution requesting budget adjustments should be submitted to the Department of Finance & Administration (DFA) Local Government Division, if necessary. In addition, the County should also contact DFA concerning the Enhanced 911 funding that should be reflected in the County's budget.

**Views of Responsible Officials and Planned Corrective Actions** – A mid-year review process has been implemented to allow corrections and adjustments.

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*Item 2006-13 – Deficit Ending Cash Balances for Budget*

**Statement of Condition** – The County budgeted a deficit ending cash balance of \$313 in the Farm and Range special revenue fund, \$1,103 in the 20 Communities special revenue fund, and \$11,062 in the Pie Town special revenue fund.

**Criteria** – Sections 6-6-6 through 6-6-11 NMSA 1978 Compilation prohibit local governments from making expenditures in excess of the approved budget and make public officials liable for such expenditures. County officials and governing authorities have the obligation to follow applicable state statutes.

**Effect** – Noncompliance with New Mexico State Statutes could subject officials and employees to penalties and fines required by State statutes.

**Cause** – The County’s unaudited beginning cash balances were incorrectly overstated.

**Recommendation** – We recommend that the County officials expedite the establishment of procedures that will provide assurance of compliance with budget constraints established by state law. Such procedures should include an extensive review of beginning cash balances as these balances may have a direct and material effect on the final budget.

**Views of Responsible Officials and Planned Corrective Actions** – Emphasis has been placed on accurate reporting of cash balances in the treasurer’s office.

*Item 2007-05 – Compensated Absences*

**Statement of Condition** – The County made small payments for paid time off (vacation and sick leave) that had not been earned. We noted the following instances:

- One employee had 13.10 hours of sick leave available but was paid for 24.00 hours.
- One employee had 5.00 hours of sick leave available but was paid for 8.00 hours.
- One employee had 14.00 hours of sick leave available but was paid for 24.00 hours.
- One employee had 12.60 hours of vacation available but was paid for 16.00 hours.
- One employee has 42.00 hours of sick leave available but was paid for 45.00 hours.

**Criteria** – New Mexico State Statutes Section 6-6-3 provides that every local body shall keep all the books, records, and accounts in their respective offices in the form prescribed by the Local Government Division of the Department of Finance and Administration. Within Title 2, Chapter 20, Part 5, *Public Finance Accounting by Governmental Entities* of the New Mexico Administrative Code, the Department of Finance and Administration requires all accounting systems, including subsidiary systems, record transactions timely, completely, and accurately.

**Effect** – Non-compliance with New Mexico State Statutes and the Department of Finance and Administration rules could subject officials and employees to penalties and fines. In addition, errors may occur and not be detected by employees on a timely basis.

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*Item 2007-05 – Compensated Absences (continued)*

**Cause** – In reviewing the cause of this issue, it was discovered that the system that calculates the earned and used hours, and thus balances carried forward, may be flawed with errors that have not been corrected. In addition, department heads failed to monitor the employee's earned vacation hours prior to their approval of the time off.

**Recommendation** – We recommend that the County officials expedite the establishment and maintenance of the appropriate internal controls to provide assurance of compliance with federal, state and county laws and regulations. Each employee's history should be reviewed to ensure that the current balances for both sick leave and vacation hours are valid.

**Views of Responsible Officials and Planned Corrective Actions** – New internal controls have been implemented and employees have been informed of the stipulations concerning time available to the employee for these absences.

*Item 2008-01 – Financial Statements and Disclosures*

**Statement of Condition** – The County relies upon their independent auditor to prepare the financial statements in accordance with generally accepted accounting principles (GAAP). The accounting staff lacks the knowledge to prepare such statements, as well as the ability to detect accuracy and completeness of all required notes that explain financial activity contained in the financial statements. The County requires the independent auditor gather all necessary information in order to convert their cash basis accounting information into financial statements prepared in accordance with GAAP.

**Criteria** – Auditing standards adopted in the United States of America in particular Statement on Auditing Standards (SAS) 109, paragraph 41 states the following: *“Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of the entity’s objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with laws and regulations. Internal control over safeguarding of assets against unauthorized acquisition, use, or disposition may include control relating to financial reporting and operations objectives.”*

Appropriate internal control procedures over financial reporting include the ability to prepare financial statements in accordance with GAAP or at a minimum; management should have the ability to comprehend the requirements for financial reporting. Financial statements prepared in accordance with GAAP include all required statements of financial position, statements of changes in financial position, changes in cash flow, and notes.

SAS 112 paragraph 11 provides examples of factors that may affect the likelihood that a control, or combination of controls could fail to prevent or detect a misstatement. One such example is *“The nature of the financial statements accounts, disclosures, and assertions involved.”* SAS 112 paragraph 19 provides a list of indicators of a control deficiency that should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control. One such example is *“Ineffective oversight of the entity’s financial reporting and internal control by those charged with governance.”*

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*Item 2008-01 – Financial Statements and Disclosures (continued)*

**Effect** – Since the County personnel lack the ability to prepare, and did not prepare, the financial statements, there is an increased risk that a misstatement of the County’s financial statements, that is more than inconsequential, will not be prevented or detected. Further, since the County accounting staff lacks the proper knowledge or training regarding the requirements of GAAP financial reporting, there is more than a remote possibility that a material misstatement of the financial statements will not be prevented or detected.

**Cause** – The County’s staff lacks the proper ability to prepare financial statements and the associated disclosures. When audit services are sought, there is a requirement that the auditor will prepare the financial statements. In the past this may have been sufficient, however, the accounting profession (American Institute of Certified Public Accountants) by issuance of SAS 112, now requires recognition and reporting of significant deficiencies in internal control when there is an ineffective oversight of the financial reporting and internal control by those charged with governance.

**Recommendation** – The County should employ an individual to serve in the position of director of finance. This employee should have the ability to prepare financial statements in accordance with GAAP. Alternately, the County could chose to consult with a separate accounting firm prior to and during the audit process that would assist the County in the preparation of financial statements and the related notes.

**Views of Responsible Officials and Planned Corrective Actions** – In the prior year, we were made aware of the requirements of SAS 112. Due to the small size of the County’s budget and the current economic conditions, we are severely restricted in regards to expanding our staffing. While we desire to have an accounting department to deal with this issue, the County’s economic condition would have to improve greatly to allow this expansion.

*Item 2008-02 – Accounting Activity*

**Statement of Condition** – During the fiscal year the following deficiencies regarding the County’s accounting activity were noted:

- The County failed to record financial activity related to debt of the County held by outside parties. In particular, the County failed to record activity at the New Mexico Finance Authority for gross receipts intercepts, earning of interest income, and the payment of outstanding liabilities on their records.
- Further, the County failed to record financial activity at the Bank of Albuquerque and First National Bank escrow accounts related to debt.
- At year-end, the County failed to prepare a schedule of all receivables, a schedule of accounts payable, a schedule of accrued wages by department, and a summarization of accrued compensated absences.
- The County failed to reconcile its capital assets subsidiary records with the general ledger activity.

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Item 2008-02 – Accounting Activity (continued)

**Criteria** – Auditing standards adopted in the United States of America in particular Statement on Auditing Standards (SAS) 109 paragraph 41 states the following: “*Internal control is a process – effected by those charged with governance, management, and other personnel – designed to provide reasonable assurance about the achievement of the entity’s objectives with regard to reliability of financial reporting, effectiveness and efficiency of operations, and compliance with laws and regulations. Internal control over safeguarding of assets against unauthorized acquisition, use, or disposition may include control relating to financial reporting and operations objectives.*”

Appropriate internal control procedures over financial reporting include the ability to understand the key components financial statements in accordance with GAAP. Underlining this premise is the requirement that the County will maintain the accounting records in such a manner as to allow the preparation of financial statements. For example, the reconciliation of the capital assets between the general ledger and subsidiary ledgers provides assurance of proper accountability and reduces that chance of a material misstatement.

**Effect** – Since the County personnel failed to prepare or record key components of the financial statements, there is an increased risk that a misstatement of the County’s financial statements that is more than inconsequential will not be prevented or detected. Further, since the County accounting staff lacks the proper knowledge or training regarding some aspects of the conditions noted such as the reconciliation of capital assets there is more than a remote possibility that a material misstatement of the financial statements will not be prevented or detected. Besides the increased risk of a material misstatement, the auditor may lose independence and be unable to express an opinion on the financial statements since they prepared the key components of the financial statements.

**Cause** – The County’s staff lacks the necessary accounting skills to prepare all the key components of the financial statements that are prepared on the economic resources measurement focus (which includes the accrual basis of accounting) and the current financial resources measurement focus (which includes the modified accrual basis of accounting). The County relies upon the auditor to obtain the necessary information to prepare the financial statements. When audit services are sought, there is a requirement that the auditor will prepare the financial statements. So, the County takes the position that the audit firm should obtain the key components of the financial statements. In the past this may have been sufficient, however, the accounting profession (American Institute of Certified Public Accountants) by issuance of SAS 112, now requires recognition and reporting of significant deficiencies in internal control when there is an ineffective oversight of the financial reporting and internal control by those charged with governance.

**Recommendation** – The County should employ an individual to serve in the position of director of finance. This employee should have the ability to prepare financial statements in accordance with GAAP. Alternately, the County could choose to consult with a separate and independent accounting firm prior to and during the audit process that would assist the County in the gathering of key components of the financial statements and the related notes.



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Item 2008-02 – Accounting Activity (continued)

**Views of Responsible Officials and Planned Corrective Actions** – Due to the small size of the County's budget and the current economic conditions, we are severely restricted in regards to expanding our staffing. While we desire to have an accounting department to deal with this issue, the County's economic condition would have to improve greatly to allow this expansion.

Item 2008-03 – Bank Reconciliations

**Statement of Condition** – The outstanding checks list used to prepare the bank reconciliation contained checks that should have been voided, or actually had cleared the bank at June 30, 2009. The total amount of stale checks was \$6,243. This resulted in incorrect bank reconciliations throughout the year, and an inability to reconcile to the balances as reported in the Treasurer's Report.

**Criteria** – New Mexico State Statutes Section 6-6-3 provides that every local body shall keep all the books, records, and accounts in their respective offices in the form prescribed by the Local Government Division of the Department of Finance and Administration. Within Title 2, Chapter 20, Part 5, *Public Finance Accounting by Governmental Entities* of the New Mexico Administrative Code, the Department of Finance and Administration requires all accounting systems, including subsidiary systems, record transactions timely, completely, and accurately.

**Effect** – Without accurate reconciliations, errors could occur and not be detected. Incorrect decisions, such as budget creation and or adjustments that require the use of cash reserves, may occur as a result of erroneous information.

**Cause** – The checks were inadvertently missed in check clearing process of the bank reconciliation.

**Recommendation** – We recommend that the County officials expedite the establishment and maintenance of the appropriate internal controls concerning the reconciliation and recording of cash balances. These procedures must include proper reconciliation of differences in reconciled balances and County Treasurer's balances. The Treasurer should work with the computer software provider to adjust the reports to reflect the correct reconciled bank balances per fund.

**Views of Responsible Officials and Planned Corrective Actions** – The treasurer has worked with the software provider and bank officials and we should be able to clear this deficiency shortly.

Item 2008-04 – Payroll Accounting

**Statement of Condition** – During the course of the audit, we performed audit tests of the payroll records and employee personnel files. Our payroll sample size was forty. There were four occasions of missing I-9 forms in the employee's personnel file.

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Item 2008-04 – Payroll Accounting (continued)

**Criteria** – New Mexico State Statutes Section 6-6-3 provides that every local body shall keep all the books, records, and accounts in their respective offices in the form prescribed by the Local Government Division of the Department of Finance and Administration. Within Title 2, Chapter 20, Part 5, *Public Finance Accounting by Governmental Entities* of the New Mexico Administrative Code, the Department of Finance and Administration requires all accounting systems, including subsidiary systems, record transactions timely, completely, and accurately.

**Effect** – Non-compliance with New Mexico State Statutes and the Department of Finance and Administration rules could subject officials and employees to penalties and fines.

**Cause** – The County failed to maintain all employee files on a yearly basis. Furthermore, the County failed to ensure all supporting documents matched the employee's paychecks.

**Recommendation** – We recommend the County officials expedite the establishment and maintenance of the appropriate internal controls to provide assurance of compliance with laws and regulations.

**Views of Responsible Officials and Planned Corrective Actions** – The County continues to work toward complete reviews of all payroll records and correction of these deficiencies.

Item 2008-06 – Procurement Violation

**Statement of Condition** – During our testing of the County's adherence to the New Mexico procurement code, we discovered the following violations:

- The County made road improvements in the amount of \$665,886 without obtaining a competitive sealed bid.
- The County purchased, without going through sealed bid procedures, eight (8) 40 cubic yard roll-off containers for \$45,400.

**Criteria** – Section 13-1-102 NMSA 1978 states that all procurement shall be by competitive sealed bid except for procurements via competitive sealed proposals; small purchases; sole source; emergency procurements; existing procurements; and antipoverty program businesses. Section 12-1-125 NMSA 1978 states that procurements requirements shall not be artificially divided so as to constitute a small purchase.

**Effect** – Any person, firm, or corporation that knowingly violates any provision of the Procurement Code is subject to a civil penalty of not more than one thousand dollars (\$1,000) for each procurement in violation of any provision of the Procurement Code [13-1-28 to 13-1-117 and 13-1-118 to 13-1-199].

**Cause** – The County extended the base course surfacing of a certain road project from 8 miles to 12 miles and considered this an amendment of the original contract. Because the roll-off containers were not purchased all at once, the County did not believe a sealed bid was required.

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*Item 2008-06 – Procurement Violation (continued)*

**Recommendation** – We recommend that the County officials expedite the establishment of procedures that will provide a complete understanding and total assurance of compliance with the Procurement Code.

**Views of Responsible Officials and Planned Corrective Actions** – The road improvement issue (Omega Road) was created by several outside factors, including a number of lawsuits, a court order awarding the already awarded contract to a different bidder under dubious authority, pressure from the NMDOT to expend the funds under a number of arbitrary spending horizons, and the State of New Mexico’s capricious decision to “freeze” or revert funds in light of the state’s budget shortfall. No amount of research on our part seemed to give us a clear definition as to how to proceed to meet all of the aforementioned criteria and complications, although an extension of the existing contract to finish the total length of Omega Road seemed to be the most viable means of satisfying the many conflicting pressures on this project. It was, therefore, decided to proceed with that course of action to facilitate the expenditure of these funds to the maximum benefit to the citizens of Catron County. The original purchase of (4) roll-off containers, at less than \$5,000 each, satisfied the Catron County Procurement Policy limit for small expenditures. The initial delivery of these containers was 4 units, again well within the small expenditure window. Management changes (later reversed) within the Solid Waste program produced confusion as to progress being made and apparently led to the subsequent purchase of 4 more containers at a (newly instated) higher price, thus producing the condition noted.

*Item 2009-01 – Retention of Original Bid Documents*

**Statement of Condition** – The County could not located original bid documents for several state funded building and buildings improvement projects. The three projects in question were the County health clinic, the County Sheriff office/jail renovations and the County emergency/fair building. When the original documents could not be located, the County relied on the architect to supply the auditors with a summary of the bid responses, as submitted.

**Criteria** –The inspection of public records is governed by the Inspection of Public Records Act, Sections 14-2-1 through 14-2-12 NMSA1978. Every person has a right to inspect public records and each public body shall designate at least one custodian of public records who shall have the responsibility to make public records available for inspection. This includes, but is not limited to, having proper procedures in place to ensure public records are safeguarded against improper use, loss or misplacement. Further, as per the New Mexico Administrative Code section 1.4.1.45B, after the award; the bid proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.

**Effect** – Because the County has not properly retained original documents they are in violation of the Public Records Act. Violations may lead to civil penalties.

**Cause** – The County hired a contract grant administrator to assist in the administration of state legislative grants. Original records were being exchanged between the County and the grant administrator. In that process, the original records appear to be misplaced or misfiled.

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*Item 2009-01 – Retention of Original Bid Documents (continued)*

**Recommendation** – We recommend that the County officials expedite the establishment of procedures that will provide a complete understanding and total assurance of compliance with the Public Records Act Procurement Code and record retention.

**Views of Responsible Officials and Planned Corrective Actions** – The use of an outside (contract) administrator exacerbated the document tracking process difficulties. We have subsequently initiated a separate filing area for these documents and are utilizing a document tracking form to better control these issues.

*Item 2009-02 – Anti-Donation Clause*

**Statement of Condition** – During searching for capital outlay expenditures, we discovered that the County purchased meals for the volunteer participants of a wild land class at one of its remote volunteer fire department location, which is a violation of the anti-donation clause, NM Constitution Article IX, Section 14. The cost of the meals was \$131.

**Criteria** – New Mexico Constitution Article IX, Section 14 states, “*neither the state, nor any county, school district, or municipality, except as otherwise provided in this constitution, shall directly or indirectly lend or pledge its credit, or make any donation to or in aid of any person, association or public or private corporation. A donation within the meaning of this provision is a “gift”, an allocation or appropriation of something of value, without consideration.*”

**Effect** – The County is currently not in compliance with New Mexico Constitution concerning donations.

**Cause** – The County was unaware of the requirements of the New Mexico State Constitution in respect to donations. The County erred in paying this reimbursement request.

**Recommendation** – We recommend that the County officials expedite the establishment and maintenance of the appropriate internal controls to provide assurance of compliance with laws and regulations.

**Views of Responsible Officials and Planned Corrective Actions** – The monies expended in this issue (\$131.00) were from a donation fund set up by the volunteer organization themselves. Clarification has now demonstrated to us that such donations, if given to the volunteer fire department, become the property of the County, and thus public funds. Clarification notices have been sent to the various volunteer organizations in the County, which should alleviate the problem.

*Item 2009-03 – Disposal of Equipment*

**Statement of Condition** – During the fiscal year, the County sold a 1971 Ford F-750 fire truck. The truck was sold for \$954. The County also sold the telephone equipment from the fire truck in the amount of \$500. The County did not notify the New Mexico State Auditor’s office of the disposition of the vehicle and equipment.

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Item 2009-03 – Disposal of Equipment (continued)

**Criteria** – Section 13-6-1 and 13-6-2 NMSA 1978, the Procurement Code and the New Mexico Administrative Code govern the disposition of obsolete, worn-out or unusable tangible property owned by local public bodies. At least thirty days prior to any dispositions of property, written notification of the official finding and proposed disposition schedule that must be duly sworn and subscribed under oath by each member of the Board of Trustees approving the action. It must then be sent to the New Mexico State Auditor.

**Effect** – Non-compliance with New Mexico Statutes could subject officials and employees to penalties and fines required by state statutes.

**Cause** – Management was unaware of the requirements regarding the disposal of the equipment and property of the County.

**Recommendation** – We recommend management and employees become familiar with state statutes, the Procurement Code, and the Administrative Code regarding the disposal of equipment and property owned by the County. We suggest that the Commission adopt policies regarding the disposal of assets and establish procedures that employees must adhere to.

**Views of Responsible Officials and Planned Corrective Actions** – The need to inform the State Auditor's Office of the proposed sale of surplus equipment was not known at the time of this issue. Subsequent clarification allowed us to correct this oversight, which should eliminate this problem.

Item 2009-04 – Uniform Allowance

**Statement of Condition** – The County gives certain law enforcement employees a uniform allowance under a nonaccountable plan. Under such arrangement, the employee does not have to account for the uniform expenses to the County. As such, these payments are taxable wages subject to social security, Medicare and withholding. The County issued, in error, a 1099-MISC for those employees who received an allowance of more than \$600. The County did not include the payments in the employee's W2 or in a 1099-MISC if the amounts paid were less than \$600.

**Criteria** – Per Internal Revenue Code section 62(c) and section 1.62-2 of the Income Tax Regulations payments to employees for ordinary and necessary expenses of the employer's business generally are wages subject to social security and Medicare and withholding unless paid under an "accountable plan". There are three requirements for an accountable plan:

1. The expenses must be deductible as business expenses incurred while performing services for the employer;
2. The employee must adequately account for the expenses to the employer within a reasonable period of time, and
3. The employee must return any amounts in excess of expenses within a reasonable period of time.

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*Item 2009-04 – Uniform Allowance (continued)*

**Effect** – The failure to include cash payments as wages subjects the County to payroll taxes, interest, and penalties.

**Cause** – County personnel believed it was in compliance with the law by issuing the employee who was paid an allowance in excess of \$600 a form 1099-MISC.

**Recommendation** – We recommend that the County review its practice of payments for uniform allowance. Procedures must be established to ensure compliance with federal regulations.

**Views of Responsible Officials and Planned Corrective Actions** – Review of the County's policy on uniform allowances predicated by the independent audit and a random IRS audit (of 2008 1099s and W2s) demonstrated the need for change in how we handle the Uniform Allowance Plan. These changes have been initiated.

*Item 2009-05 – Submission of Audit Report*

**Statement of Condition** – The audit report for the fiscal year ended June 30, 2009, was due to the New Mexico State Auditor's office by November 15, 2009. The audit report was submitted July 14, 2010.

**Criteria** – New Mexico State Statutes Section 12-6-12 requires the state auditor to promulgate reasonable regulations necessary to carry out the duties of the office. New Mexico Administrative Code Title 2, Chapter 2, Part 2, *Audits of Governmental Entities Requirements for Contracting and Conducting Audits of Agencies* requires that the County submit its audit report by November 15th following the end of each fiscal year at June 30<sup>th</sup>.

**Effect** – Delays in submission of the audit report affect the reporting of financial information to other state agencies and local governments.

**Cause** – The County did not engage the auditor until February 2010.

**Recommendation** – We suggest that the County adhere to the schedule of auditor selection established by the New Mexico State Auditor's Office so that the audit can be completed by the due date.

**Views of Responsible Officials and Planned Corrective Actions** – We concur with the finding and expect (barring another huge budget scramble in Santa Fe), that we will be able to file subsequent audit reports in a timely manner.

**PRIOR YEAR FINDINGS**

*Item 2006-01 – Purchase Orders* – In the previous year's audit, we noted disbursements that did not have a purchase order. The County has revised its procedures to include a review of its purchase order retention. The prior year finding is considered resolved.

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**PRIOR YEAR FINDINGS (continued)**

Item 2006-02 – Agency Credit Cards – The prior year’s audit noted that the County’s credit card payments lacked the proper supporting documents, such as third party receipts and purchase orders. The prior year finding has not been resolved and was revised and repeated as item 2006-02.

Item 2006-04 – Capital Asset Subsidiary Records and Depreciation Expense – The County does not maintain a complete historical and up to date listing of fixed assets by type and location. During the current year, we noted that the County did not improve its fixed assets subsidiary records. The audit finding is not considered resolved and is repeated as item 2006-04.

Item 2006-05 – Capital Assets – Inventory Control Numbers – In the prior year’s audit we noted that the County did not place identification tags on its newly acquired assets and that it had not placed identification tags on any assets purchased within the last several years. The prior year finding has not been resolved and is repeated as item 2006-05.

Item 2006-06 – Annual Inventory of Capital Assets – In the previous year’s audit we noted that the County had failed to perform an accurate inventory of capital assets. The prior year finding has not been resolved and is repeated as item 2006-06.

Item 2006-07 – Landfill Closure and Post-Closure Costs – The County failed to record an expense provision and related liability for the future closure and post-closure costs for the landfills located in Pie Town, Datil, and Reserve. Further, the County did not meet the closure and post-closure financial assurance requirements as required under GASB pronouncement number 18. The prior year finding has not been resolved and is repeated as item 2006-07.

Item 2006-08 – Tax Roll Reconciliation – The prior year’s audit noted that the County Treasurer did not have an accounting system set up to gather and report by agency, the amount of taxes levied; collected in the current year; collected to-date; distributed in the current year; distributed to-date; the amount determined to be uncollectible in the current year; the uncollectible amount to-date; and the outstanding receivable balance at the end of the fiscal year. This finding is not considered resolved and is repeated as item 2006-08.

Item 2006-09 – Legal Compliance with Adopted Budget – In the previous fiscal year’s audit report, we noted that the County exceeded the budget limitation within six special revenue funds. For the current fiscal year the County exceeded the authorized budget within three special revenue funds. The prior year finding is not considered resolved and was revised and repeated as item 2006-09.

Item 2006-10 – Travel and Per Diem – The prior year’s audit noted that the County payments for travel and per diem were not in compliance with the Per Diem and Mileage Act. The County revised its procedures to ensure compliance with the Act and as such is considered resolved.

Item 2006-13 – Deficit Ending Cash Balances for Budget – In the prior year, the County budgeted a deficit ending cash balance in three funds. In the current year the County budgeted a deficit ending cash balance in six special revenue funds. The finding is not considered resolved and was revised and repeated as item 2006-13.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2009

**PRIOR YEAR AUDIT FINDINGS (continued)**

Item 2006-14 – Public Employee Retirement Association Reporting – In the prior year, the County did not report 100% of payroll to the New Mexico Public Employee Retirement Association (PERA). The County has obtained an understanding of the reporting requirements, and complied with the requirements. The finding is considered resolved.

Item 2007-03 – Interim Budget Request for the 2007-2008 Fiscal Year – The County's interim budget request for the 2007-2008 fiscal year was not received by the Department of Finance and Administration statutory deadline of June 1<sup>st</sup>. The final budget was approved by mid September 2007 and presented at the September 19, 2007 board meeting. The 2008-2009 budget was not submitted late. The finding is considered resolved.

Item 2007-05 – Compensated Absences – In the prior year, the County made small payments for vacations hours that had not been earned. The finding is not considered resolved and is repeated as item 2007-05.

Item 2008-01 – Financial Statements and Disclosure – In the prior year, the County relied upon their independent auditor to prepare the financial statements in accordance with generally accepted accounting principles (GAAP). During the current fiscal year, the County was unable to prepare their financial statements and relied upon their independent auditor. The finding is not considered resolved and is repeated as item 2008-01.

Item 2008-02 – Accounting Activity – In the prior year, the County did not record all of the financial activity into the County's general ledger. During the current fiscal year, the County was unable to prepare and record all of the financial activity within the general ledger. The finding is not considered resolved and is repeated as item 2008-02.

Item 2008-03 – Bank Reconciliations – In the prior year, the County had incorrect outstanding checks listed on the bank reconciliation at year end. During the current fiscal year, the County had incorrect outstanding checks listed on the bank reconciliation. The finding is not considered resolved and is repeated as item 2008-03.

Item 2008-04 – Payroll Accounting – In the prior year, the County did not have the correct information (W-4's, I-9's, etc.) in ten employee personnel files. During the current fiscal year, the County had missing 1-9 forms in the employee's personnel files. The finding is not considered resolved and is repeated as item 2008-04.

Item 2008-05 – Cash Receipts Retention – In the prior year, the County did not have all cash receipt back up documentation on file. During the current fiscal year testing, the County had all cash receipt back up documentation on file. The finding is considered resolved.

Item 2008-06 – Procurement Violation – In the prior year, it was noted the County did not adhere to the state of New Mexico's procurement code for the purchase of equipment. During the current fiscal year, the County continued not to have all of the documentation to ensure compliance with the New Mexico procurement code. The finding is not considered resolved and is repeated as item 2008-06.



**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2009

**PRIOR YEAR AUDIT FINDINGS (continued)**

*Item 2008-07 – Award of Bid to Low Bidder* – In the prior year, it was noted the County did not adhere to the state of New Mexico’s procurement code for the awarding of the sealed bid contract to the low bidder. During the current fiscal year, the County followed the procurement code concerning the awarding of contracts to the low bidder. The finding is considered resolved.

**STATE OF NEW MEXICO**  
**CATRON COUNTY**  
EXIT CONFERENCE AND  
PREPARATION OF FINANCIAL STATEMENTS  
JUNE 30, 2009

**Exit Conference**

The audit report for the fiscal year ended June 30, 2009, was discussed during the exit conference held on July 2, 2010 in Reserve, New Mexico. Present for the County was Ed Wehrheim, County commissioner; Sarah Merklein, County treasurer; and Bill Aymar, County manager. Present for the auditing firm was Rose Fierro, CPA.

**Financial Statement Preparation**

The auditing firm of Fierro & Fierro, P.A., Certified Public Accountants, prepared the financial statements of Catron County as of June 30, 2009. The County's upper management has reviewed and approved the financial statements and related notes, and they believe the County's books and records adequately support them.