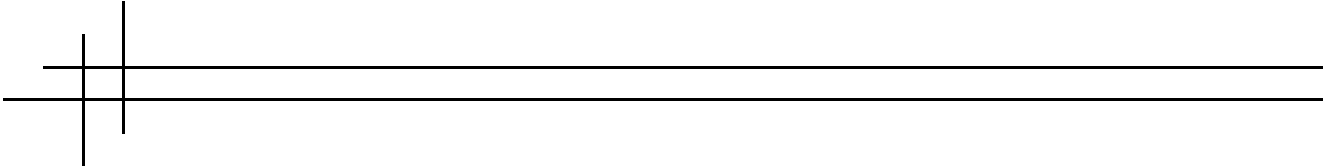




STATE OF NEW MEXICO  
**DE BACA COUNTY**

**ANNUAL FINANCIAL REPORT**  
June 30, 2007

**De'Aun Willoughby CPA, PC**  
Certified Public Accountant  
Melrose, New Mexico



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**DE BACA COUNTY**  
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STATE OF NEW MEXICO  
**DE BACA COUNTY**  
Official Roster  
June 30, 2007

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**COUNTY COMMISSION**

|                 |               |
|-----------------|---------------|
| Joe Steele      | Chairman      |
| Tommy Roybal    | Vice-Chairman |
| George Gonzales | Member        |

**ELECTED OFFICIALS**

|                  |               |
|------------------|---------------|
| Laurie Pettigrew | Clerk         |
| Randy Ballard    | Treasurer     |
| Denise Cones     | Assessor      |
| Dennis Clever    | Sheriff       |
| Linda Sena       | Probate Judge |

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 SAN JON, NM 88124

(575) 253-4313

Independent Auditor's Report

Mr. Hector H. Balderas  
State Auditor of the State of New Mexico  
Commissioners of DE BACA COUNTY

Mr. Balderas and Commissioners

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 DE BACA COUNTY, (County), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's non-major governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, as listed in the table of contents. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included for the discretely presented component unit, is based on the report of the other auditors. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

Except as discussed in the following paragraph, we conducted our audit in accordance with the auditing standards generally accepted in the United states of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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.

Because of the inadequacy of accounting records, we were unable to form an opinion regarding the amounts at which capital assets and accumulated depreciation are recorded in the government-wide financial statements at June 30, 2007, or the amount of depreciation expense for the year then ended.

In our opinion, except for the effects of such adjustments, if any, had accounting records for capital assets and related accumulated depreciation been adequate, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund of the County as of June 30, 2007, and the respective changes in financial statements, where applicable, thereof and the respective budgetary comparison for the non-major special revenue and the enterprise fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated August 4, 2009 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards and should be considered in assessing the results of our audit.

De Baca County has not presented the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons of the County. The additional schedules listed as "other supplemental information" in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*De'Ann Willoughby* CPA PC

August 4, 2009

## **FINANCIAL SECTION**



STATE OF NEW MEXICO  
**DE BACA COUNTY**  
 Government-Wide Statement of Net Assets  
 June 30, 2007

|  | <u>Governmental<br/>Activities</u> | <u>Component Unit</u> |
|--|------------------------------------|-----------------------|
| <b>ASSETS</b>  |                                    |                       |
| Current Assets   |                                    |                       |
| Cash and Cash Equivalents  | \$ 2,143,716                       | \$ 125,629            |
| Receivables (Net of Allowance for<br>Uncollectibles if Applicable) |                                    |                       |
| Accounts   | 0                                  | 96,326                |
| Taxes  | 48,060                             | 0                     |
| Due from Grantor   | 6,466                              | 90,824                |
| Other  | 0                                  | 24,311                |
| Total Current Assets   | <u>2,198,242</u>                   | <u>337,090</u>        |
| Noncurrent Assets  |                                    |                       |
| Restricted Cash  | 0                                  | 325,000               |
| Capital Assets   | 3,324,372                          | 626,265               |
| Less: Accumulated Depreciation                                     | <u>(2,363,642)</u>                 | <u>(217,410)</u>      |
| Total Noncurrent Assets  | <u>960,730</u>                     | <u>733,855</u>        |
| Total Assets   | <u>3,158,972</u>                   | <u>1,070,945</u>      |
| <b>LIABILITIES</b>   |                                    |                       |
| Current Liabilities  |                                    |                       |
| Accounts Payable   | 35,296                             | 13,271                |
| Accrued Salaries and Related Expenses                              | 0                                  | 20,654                |
| Deferred Revenue   | 2,893                              | 0                     |
| Current Portion of Long-Term Debt                                  | <u>29,528</u>                      | <u>33,109</u>         |
| Total Current Liabilities  | <u>67,717</u>                      | <u>67,034</u>         |
| Noncurrent Liabilities   |                                    |                       |
| Loans  | 238,348                            | 0                     |
| Compensated Absences   | 19,917                             | 21,826                |
| Landfill Closure Cost  | 736,500                            | 0                     |
| Total Noncurrent Liabilities                                       | <u>994,765</u>                     | <u>21,826</u>         |
| Total Liabilities  | <u>1,062,482</u>                   | <u>88,860</u>         |
| <b>NET ASSETS</b>  |                                    |                       |
| Invested in Capital Assets, Net of<br>Related Debt                 | 692,854                            | 375,746               |
| Unrestricted   | <u>1,403,636</u>                   | <u>606,339</u>        |
| Total Net Assets   | <u>\$ 2,096,490</u>                | <u>\$ 982,085</u>     |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO

**DE BACA COUNTY**

Government-Wide Statement of Activities

For the Year Ended June 30, 2007

| Functions/Programs                | Program Revenues    |                      |                                    |                                  | Net(Expenses) Revenue and Changes in Net Assets |                     |
|-----------------------------------|---------------------|----------------------|------------------------------------|----------------------------------|---|---------------------|
|                                   | Expenses            | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities                         | Component Unit      |
| Governmental Activities           |                     |                      |                                    |                                  |   |                     |
| General Government                | \$ 436,590          | \$ 197,114           | \$ 400,882                         | \$ 0                             | \$ 161,406                                      | \$ 0                |
| Public Safety                     | 825,807             | 24,972               | 257,734                            | 0                                | (543,101)                                       | 0                   |
| Public Works                      | 797,338             | 6,436                | 375,198                            | 0                                | (415,704)                                       | 0                   |
| Health & Welfare                  | 94,512              | 0                    | 37,979                             | 0                                | (56,533)  | 0                   |
| Culture & Recreation              | 36,839              | 0                    | 0                                  | 0                                | (36,839)  | 0                   |
| Depreciation                      | 257,568             |                      |                                    |                                  | (257,568)                                       |                     |
| Interest on Long-Term Obligations | 5,696               | 0                    | 0                                  | 0                                | (5,696)   | 0                   |
| Total Governmental Activities     | <u>\$ 2,454,350</u> | <u>\$ 228,522</u>    | <u>\$ 1,071,793</u>                | <u>\$ 0</u>                      | <u>\$ (1,154,035)</u>                           | <u>\$ 0</u>         |
| Component Unit                    | <u>\$ 1,668,956</u> | <u>\$ 1,449,052</u>  | <u>\$ 74,610</u>                   | <u>\$ 0</u>                      |   | <u>\$ (145,294)</u> |
| General Revenues                  |                     |                      |                                    |                                  |   |                     |
| Property Taxes                    |                     |                      |                                    |                                  | \$ 532,114                                      | \$ 169,647          |
| Gross Receipts Taxes              |                     |                      |                                    |                                  | 202,036   | 0                   |
| Motor Vehicle Taxes               |                     |                      |                                    |                                  | 240,562   | 0                   |
| Gasoline Taxes                    |                     |                      |                                    |                                  | 129,922   | 0                   |
| Interest Income                   |                     |                      |                                    |                                  | 70,108  | 2,425               |
| Miscellaneous                     |                     |                      |                                    |                                  | 93,263  | 4,274               |
| Total General Revenues            |                     |                      |                                    |                                  | <u>1,268,005</u>                                | <u>176,346</u>      |
| Change in Net Assets              |                     |                      |                                    |                                  | <u>113,970</u>                                  | <u>31,052</u>       |
| Net Assets - beginning            |                     |                      |                                    |                                  | 2,080,574                                       | 951,033             |
| Restatement                       |                     |                      |                                    |                                  | <u>(98,054)</u>                                 | <u>0</u>            |
| Restated Beginning Net Assets     |                     |                      |                                    |                                  | <u>1,982,520</u>                                | <u>951,033</u>      |
| Net Assets - ending               |                     |                      |                                    |                                  | <u>\$ 2,096,490</u>                             | <u>\$ 982,085</u>   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2007

---

|  | <u>General<br/>Fund</u> | <u>Correction<br/>Fund</u> | <u>Road<br/>Fund</u> |
|--|-------------------------|----------------------------|----------------------|
| <b>ASSETS</b>  |                         |                            |                      |
| Cash and Cash Equivalents  | \$ 577,093              | \$ 10,785                  | \$ 1,107,517         |
| Receivables (Net of Allowance for<br>Uncollectibles if Applicable) |                         |                            |                      |
| Taxes  | 6,635                   | 0                          | 33,315               |
| Interfund Balance  | 5,227                   | 0                          | 0                    |
| Due from Grantor   | 0                       | 0                          | 0                    |
| Total Assets   | <u>\$ 588,955</u>       | <u>\$ 10,785</u>           | <u>\$ 1,140,832</u>  |
| <b>LIABILITIES AND FUND BALANCE</b>                                |                         |                            |                      |
| Liabilities  |                         |                            |                      |
| Current Liabilities  |                         |                            |                      |
| Interfund Balance  | \$ 0                    | \$ 0                       | \$ 0                 |
| Accounts Payable   | 17,542                  | 0                          | 17,754               |
| Deferred Revenue   | 0                       | 0                          | 0                    |
| Total Liabilities  | <u>17,542</u>           | <u>0</u>                   | <u>17,754</u>        |
| Fund Balances  |                         |                            |                      |
| Unreserved Reported In:  |                         |                            |                      |
| General Fund   | 571,413                 | 0                          | 0                    |
| Special Revenue Fund   | 0                       | 10,785                     | 1,123,078            |
| Total Fund Balances  | <u>571,413</u>          | <u>10,785</u>              | <u>1,123,078</u>     |
| Total Liabilities and Fund Balances                                | <u>\$ 588,955</u>       | <u>\$ 10,785</u>           | <u>\$ 1,140,832</u>  |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
 GOVERNMENTAL FUNDS  
 Balance Sheet  
 June 30, 2007

|  | Sheriffs<br>Overtime<br>Fund | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|------------------------------|------------------------------------|--------------------------------|
| <b>ASSETS</b>  |                              |                                    |                                |
| Cash and Cash Equivalents  | \$ 0                         | \$ 448,321                         | \$ 2,143,716                   |
| Receivables (Net of Allowance for<br>Uncollectibles if Applicable) |                              |                                    |                                |
| Taxes  | 0                            | 8,110                              | 48,060                         |
| Interfund Balance  | 0                            | 1,239                              | 6,466                          |
| Due from Grantor   | 5,227                        | 1,239                              | 6,466                          |
| <b>Total Assets</b>  | <b>\$ 5,227</b>              | <b>\$ 458,909</b>                  | <b>\$ 2,204,708</b>            |
| <b>LIABILITIES AND FUND BALANCE</b>                                |                              |                                    |                                |
| <b>Liabilities</b>   |                              |                                    |                                |
| <b>Current Liabilities</b>   |                              |                                    |                                |
| Interfund Balance  | \$ 5,227                     | \$ 1,239                           | \$ 6,466                       |
| Accounts Payable   | 0                            | 0                                  | 35,296                         |
| Deferred Revenue   | 0                            | 2,893                              | 2,893                          |
| <b>Total Liabilities</b>   | <b>5,227</b>                 | <b>4,132</b>                       | <b>44,655</b>                  |
| <b>Fund Balances</b>   |                              |                                    |                                |
| <b>Unreserved Reported In:</b>                                     |                              |                                    |                                |
| General Fund   | 0                            | 0                                  | 571,413                        |
| Special Revenue Fund   | 0                            | 454,777                            | 1,588,640                      |
| <b>Total Fund Balances</b>   | <b>0</b>                     | <b>454,777</b>                     | <b>2,160,053</b>               |
| <b>Total Liabilities and Fund Balances</b>                         | <b>\$ 5,227</b>              | <b>\$ 458,909</b>                  | <b>\$ 2,204,708</b>            |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
 Reconciliation of the Governmental Funds  
 Balance Sheet to the Statement of Net Assets  
 June 30, 2007

---

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

|   |    |           |
|---|----|-----------|
| Total Fund Balance - Governmental Funds | \$ | 2,160,053 |
|---|----|-----------|

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

|                             |    |                    |         |
|-----------------------------|----|--------------------|---------|
| The cost of capital assets  | \$ | 3,324,372          |         |
| Accumulated depreciation is |    | <u>(2,363,642)</u> | 960,730 |

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

|                        |    |                 |                    |
|------------------------|----|-----------------|--------------------|
| Notes Payable          |    | (267,876)       |                    |
| Landfill Closures Cost |    | (736,500)       |                    |
| Compensated Absences   | \$ | <u>(19,917)</u> | <u>(1,024,293)</u> |

|  |    |                         |
|--|----|-------------------------|
| Total net assets - governmental activities | \$ | <u><u>2,096,490</u></u> |
|--|----|-------------------------|

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2007

|  | General<br>Fund   | Correction<br>Fund | Road<br>Fund        |
|--|-------------------|--------------------|---------------------|
| Revenues   |                   |                    |                     |
| Taxes:   |                   |                    |                     |
| Gross Receipts Tax                                   | \$ 102,092        | \$ 30,761          | \$ 0                |
| Property Taxes                                       | 532,114           | 0                  | 0                   |
| Motor Vehicle Tax                                    | 7,424             | 0                  | 233,138             |
| Gasoline Tax   | 0                 | 0                  | 129,922             |
| Intergovernmental:                                   |                   |                    |                     |
| Federal Grants                                       | 0                 | 0                  | 0                   |
| State Grants   | 397,633           | 0                  | 359,599             |
| Charges for Services                                 | 65,403            | 0                  | 261                 |
| Fines & Forfeitures                                  | 7,594             | 0                  | 0                   |
| Licenses & Permits                                   | 2,175             | 0                  | 0                   |
| Fees   | 0                 | 24,972             | 0                   |
| Rents  | 103,765           | 0                  | 6,175               |
| Interest Income                                      | 33,483            | 144                | 34,260              |
| Miscellaneous  | 49,591            | 2,070              | 5,129               |
| Total Revenues                                       | <u>1,301,274</u>  | <u>57,947</u>      | <u>768,484</u>      |
| Expenditures   |                   |                    |                     |
| Current  |                   |                    |                     |
| General Government                                   | 400,096           | 0                  | 0                   |
| Public Safety  | 373,923           | 302,041            | 0                   |
| Public Works   | 93,295            | 0                  | 0                   |
| Highways & Streets                                   | 0                 | 0                  | 702,402             |
| Culture & Recreation                                 | 35,097            | 0                  | 0                   |
| Health & Welfare                                     | 0                 | 0                  | 0                   |
| Capital Outlay                                       | 10,383            | 0                  | 29,575              |
| Debt Service   |                   |                    |                     |
| Principal  | 0                 | 5,185              | 0                   |
| Interest   | 0                 | 184                | 0                   |
| Total Expenditures                                   | <u>912,794</u>    | <u>307,410</u>     | <u>731,977</u>      |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>388,480</u>    | <u>(249,463)</u>   | <u>36,507</u>       |
| Other Financing Sources (Uses)                       |                   |                    |                     |
| Transfers In/Out                                     | <u>(269,352)</u>  | <u>249,901</u>     | <u>0</u>            |
| Total Other Sources (Uses)                           | <u>(269,352)</u>  | <u>249,901</u>     | <u>0</u>            |
| Net Change in Fund Balance                           | <u>119,127</u>    | <u>438</u>         | <u>36,507</u>       |
| Fund Balances at Beginning of Year                   | 550,340           | 10,347             | 1,086,571           |
| Restatement  | <u>(98,054)</u>   | <u>0</u>           | <u>0</u>            |
| Restated Beginning Fund Balance                      | <u>452,286</u>    | <u>10,347</u>      | <u>1,086,571</u>    |
| Fund Balance End of Year                             | <u>\$ 571,413</u> | <u>\$ 10,785</u>   | <u>\$ 1,123,078</u> |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures and Changes  
in Fund Balance  
For the Year Ended June 30, 2007

|  | Sheriffs<br>Overtime<br>Fund | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|------------------------------|------------------------------------|--------------------------------|
| Revenues   |                              |                                    |                                |
| Taxes:   |                              |                                    |                                |
| Gross Receipts Tax                                   | \$ 0                         | \$ 69,183                          | \$ 202,036                     |
| Property Taxes                                       | 0                            | 0                                  | 532,114                        |
| Motor Vehicle Tax                                    | 0                            | 0                                  | 240,562                        |
| Gasoline Tax   | 0                            | 0                                  | 129,922                        |
| Intergovernmental:                                   |                              |                                    |                                |
| Federal Grants                                       | 0                            | 79,943                             | 79,943                         |
| State Grants   | 14,087                       | 220,531                            | 991,850                        |
| Charges for Services                                 | 0                            | 0                                  | 65,664                         |
| Fines & Forfeitures                                  | 0                            | 1,522                              | 9,116                          |
| Licenses & Permits                                   | 0                            | 0                                  | 2,175                          |
| Fees   | 0                            | 16,655                             | 41,627                         |
| Rents  | 0                            | 0                                  | 109,940                        |
| Interest Income                                      | 0                            | 2,221                              | 70,108                         |
| Miscellaneous  | 0                            | 36,473                             | 93,263                         |
| Total Revenues                                       | <u>14,087</u>                | <u>426,528</u>                     | <u>2,568,320</u>               |
| Expenditures   |                              |                                    |                                |
| Current  |                              |                                    |                                |
| General Government                                   | 0                            | 34,495                             | 434,591                        |
| Public Safety  | 14,087                       | 135,933                            | 825,984                        |
| Public Works   | 0                            | 0                                  | 93,295                         |
| Highways & Streets                                   | 0                            | 0                                  | 702,402                        |
| Culture & Recreation                                 | 0                            | 1,742                              | 36,839                         |
| Health & Welfare                                     | 0                            | 94,512                             | 94,512                         |
| Capital Outlay                                       | 0                            | 121,295                            | 161,253                        |
| Debt Service   |                              |                                    |                                |
| Principal  | 0                            | 28,284                             | 33,469                         |
| Interest   | 0                            | 5,512                              | 5,696                          |
| Total Expenditures                                   | <u>14,087</u>                | <u>421,773</u>                     | <u>2,388,041</u>               |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>0</u>                     | <u>4,755</u>                       | <u>180,279</u>                 |
| Other Financing Sources (Uses)                       |                              |                                    |                                |
| Transfers In/Out                                     | 0                            | 19,451                             | (0)                            |
| Total Other Sources (Uses)                           | <u>0</u>                     | <u>19,451</u>                      | <u>(0)</u>                     |
| Net Change in Fund Balance                           | <u>0</u>                     | <u>24,206</u>                      | <u>180,278</u>                 |
| Fund Balances at Beginning of Year                   | 0                            | 430,571                            | 2,077,829                      |
| Restatement  | 0                            | 0                                  | (98,054)                       |
| Restated Beginning Fund Balance                      | <u>0</u>                     | <u>430,571</u>                     | <u>1,979,775</u>               |
| Fund Balance End of Year                             | <u>\$ 0</u>                  | <u>\$ 454,777</u>                  | <u>\$ 2,160,053</u>            |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO

**DE BACA COUNTY**

Reconciliation of the Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

To the Statement of Activities

June 30, 2007

|                            |    |         |
|----------------------------|----|---------|
| Net Change in Fund Balance | \$ | 180,278 |
|----------------------------|----|---------|

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.

|                      |    |                |          |
|----------------------|----|----------------|----------|
| Depreciation expense | \$ | (257,568)      |          |
| Capital Outlays      |    | <u>161,253</u> | (96,315) |

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

33,469

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

|   |    |                 |                |
|---|----|-----------------|----------------|
| Accrued Compensated Absences at 6/30/06 |    | 16,455          |                |
| Accrued Compensated Absences at 6/30/07 | \$ | <u>(19,917)</u> | <u>(3,462)</u> |

|  |    |                       |
|--|----|-----------------------|
| Changes in Net Assets of Governmental Activities | \$ | <u><u>113,970</u></u> |
|--|----|-----------------------|

The notes to the financial statements are an integral part of this statement.



## STATE OF NEW MEXICO

**DE BACA COUNTY**

## GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2007

|                                   | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|-----------------------------------|------------------|------------------|--------------------------------|---|
|                                   | Original         | Final            |                                |   |
| <b>Revenues</b>                   |                  |                  |                                |   |
| Gross Receipts Tax                | \$ 69,000        | \$ 69,000        | \$ 102,669                     | \$ 33,669   |
| Property Taxes                    | 425,000          | 425,000          | 475,849                        | 50,849  |
| Payment in Lieu of Taxes          | 0                | 0                | 59,715                         | 59,715  |
| Motor Vehicle Taxes               | 7,600            | 7,600            | 7,424                          | (176)   |
| Charge for Services               | 5,600            | 5,600            | 8,022                          | 2,422   |
| Charge for Services-Public Safety | 44,500           | 44,500           | 57,381                         | 12,881  |
| Licenses & Permits                | 2,000            | 2,000            | 2,175                          | 175   |
| Rents                             | 0                | 0                | 103,765                        | 103,765   |
| State Grants                      | 0                | 0                | 397,633                        | 397,633   |
| Penalties & Interest              | 2,500            | 2,500            | 7,594                          | 5,094   |
| Interest Income                   | 0                | 0                | 33,483                         | 33,483  |
| Miscellaneous                     | 0                | 0                | 49,591                         | 49,591  |
| <b>Total Revenues</b>             | <b>556,200</b>   | <b>556,200</b>   | <b>1,305,301</b>               | <b>749,101</b>                                    |
| <b>Expenditures</b>               |                  |                  |                                |   |
| <b>Commissioners</b>              |                  |                  |                                |   |
| Personnel Services                | 26,775           | 26,775           | 26,775                         | 0   |
| Employee Benefits                 | 3,748            | 3,748            | 11,299                         | (7,551)   |
| Operating Expenses                | 76,879           | 90,879           | 72,856                         | 18,023  |
| <b>Total Commissioners</b>        | <b>107,402</b>   | <b>121,402</b>   | <b>110,930</b>                 | <b>10,472</b>                                     |
| <b>Probate</b>                    |                  |                  |                                |   |
| Personnel Services                | 7,686            | 7,686            | 7,686                          | 0   |
| Employee Benefits                 | 1,481            | 1,481            | 604                            | 877   |
| Operating Expenses                | 400              | 400              | 436                            | (36)  |
| <b>Total Probate</b>              | <b>9,567</b>     | <b>9,567</b>     | <b>8,726</b>                   | <b>841</b>  |
| <b>Treasurer</b>                  |                  |                  |                                |   |
| Personnel Services                | 54,186           | 54,186           | 52,253                         | 1,933   |
| Employee Benefits                 | 10,862           | 10,862           | 9,402                          | 1,460   |
| Operating Expenses                | 6,649            | 6,649            | 5,063                          | 1,586   |
| <b>Total Treasurer</b>            | <b>71,697</b>    | <b>71,697</b>    | <b>66,718</b>                  | <b>4,979</b>                                      |
| <b>Assessor</b>                   |                  |                  |                                |   |
| Personnel Services                | 49,626           | 49,626           | 49,629                         | (3)   |
| Employee Benefits                 | 16,518           | 16,518           | 15,485                         | 1,033   |
| Operating Expenses                | 4,459            | 4,459            | 3,768                          | 691   |
| <b>Total Assessor</b>             | <b>\$ 70,603</b> | <b>\$ 70,603</b> | <b>\$ 68,882</b>               | <b>\$ 1,721</b>                                   |

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|                                 | Budgeted Amounts  |                   | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|---------------------------------|-------------------|-------------------|--------------------------------|---|
|                                 | Original          | Final             |                                |   |
| <b>Clerk</b>                    |                   |                   |                                |   |
| Personnel Services              | \$ 64,354         | \$ 64,354         | \$ 63,378                      | \$ 976  |
| Employee Benefits               | 20,400            | 20,522            | 18,136                         | 2,386   |
| Operating Expenses              | 19,330            | 19,330            | 18,368                         | 962   |
| Total Clerk                     | <u>104,084</u>    | <u>104,206</u>    | <u>99,882</u>                  | <u>4,324</u>                                      |
| <b>Election</b>                 |                   |                   |                                |   |
| Operating Expenses              | 17,700            | 17,700            | 8,928                          | 8,772   |
| Total Election                  | <u>17,700</u>     | <u>17,700</u>     | <u>8,928</u>                   | <u>8,772</u>                                      |
| <b>Maintenance</b>              |                   |                   |                                |   |
| Personnel Services              | 8,320             | 8,320             | 6,208                          | 2,112   |
| Employee Benefits               | 1,277             | 1,277             | 945                            | 332   |
| Operating Expenses              | 36,600            | 3,660             | 37,331                         | (33,671)  |
| Total Maintenance               | <u>46,197</u>     | <u>13,257</u>     | <u>44,484</u>                  | <u>(31,227)</u>                                   |
| <b>Public Safety</b>            |                   |                   |                                |   |
| <b>Sheriff</b>                  |                   |                   |                                |   |
| Personnel Services              | 94,392            | 94,960            | 88,591                         | 6,369   |
| Employee Benefits               | 18,837            | 18,837            | 27,575                         | (8,738)   |
| Operating Expenses              | 62,080            | 48,080            | 48,757                         | (677)   |
| Total Sheriff                   | <u>175,309</u>    | <u>161,877</u>    | <u>164,923</u>                 | <u>(3,046)</u>                                    |
| <b>Dispatch</b>                 |                   |                   |                                |   |
| Personnel Services              | 154,006           | 168,928           | 151,343                        | 17,585  |
| Employee Benefits               | 29,892            | 21,333            | 30,839                         | (9,506)   |
| Operating Expenses              | 16,425            | 26,933            | 26,819                         | 114   |
| Capital Outlay                  | 0                 | 0                 | 10,383                         | (10,383)  |
| Total Dispatch                  | <u>200,323</u>    | <u>217,194</u>    | <u>219,384</u>                 | <u>(2,190)</u>                                    |
| <b>Public Works</b>             |                   |                   |                                |   |
| Personnel Services              | 44,134            | 44,134            | 43,638                         | 496   |
| Employee Benefits               | 14,328            | 14,328            | 16,522                         | (2,194)   |
| Operating Expenses              | 34,700            | 34,700            | 33,134                         | 1,566   |
| Total Public Works              | <u>93,162</u>     | <u>93,162</u>     | <u>93,294</u>                  | <u>(132)</u>                                      |
| <b>Culture &amp; Recreation</b> |                   |                   |                                |   |
| Operating Expenses              | 42,336            | 42,336            | 35,097                         | 7,239   |
| Total Culture & Recreation      | <u>42,336</u>     | <u>42,336</u>     | <u>35,097</u>                  | <u>7,239</u>                                      |
| <b>Total Expenditures</b>       | <u>\$ 938,380</u> | <u>\$ 923,001</u> | <u>\$ 921,248</u>              | <u>\$ 1,753</u>                                   |

## STATE OF NEW MEXICO

**DE BACA COUNTY**

## GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2007

|  | Budgeted Amounts |              | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|--------------|--------------------------------|---|
|  | Original         | Final        |                                |   |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | \$ (382,180)     | \$ (366,801) | \$ 384,053                     | \$ 750,854  |
| Other Financing Sources (Uses)                               |                  |              |                                |   |
| Transfer to Corrections                                      | 0                | 0            | (249,901)                      | 249,901   |
| Transfer to Farm & Range                                     | 0                | 0            | (19,451)                       | 19,451  |
| Total Other Financing Sources<br>(Uses)                      | 0                | 0            | (269,352)                      | 269,352   |
| Net Changes in Fund Balance                                  | (382,180)        | (366,801)    | 114,701                        | 481,502   |
| Cash Balance Beginning of Year                               | 565,673          | 565,673      | 565,673                        | 0   |
| Restatement  | 0                | 0            | (98,054)                       | 98,054  |
| Restated Beginning Cash<br>Balance                           | 565,673          | 565,673      | 467,619                        | 98,054  |
| Cash Balance End of Year                                     | \$ 183,493       | \$ 198,872   | \$ 582,320                     | \$ 481,502  |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |              |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |              | \$ 384,053                     |   |
| Net Change in Taxes Receivable                               |                  |              | (4,027)                        |   |
| Net Change in Accounts Payable                               |                  |              | 8,454                          |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |              | \$ 388,480                     |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
Statement of Fiduciary Assets and Liabilities-  
Agency Funds  
June 30, 2007

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|                                | <u>Total</u>     |
|--------------------------------|------------------|
| <b>ASSETS</b>                  |                  |
| Cash and temporary investments | \$ 0             |
| Receivables                    |                  |
| Property Taxes                 | <u>17,746</u>    |
| Total Assets                   | <u>17,746</u>    |
| <b>LIABILITIES</b>             |                  |
| Due to other taxing units      | <u>17,746</u>    |
| Total Liabilities              | <u>\$ 17,746</u> |

The notes to the financial statements are an integral part of this statement.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

De Baca County (County) was created by Section 4-30-1, New Mexico State Statutes Annotated, 1978 Compilation. The powers of the County as a body politic and corporate are exercised by a three-member Board of Commissioners who are elected , staggering positions expire each election. At each general election in the State of New Mexico a County Assessor, County Clerk, County Sheriff, and County Treasurer are elected. The County assesses, collects, and distributes property taxes; records property and legal documents; provides law enforcement services and maintains County roads.

The accounting policies of De Baca County conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

The financial statements of County have been prepared in accordance with general accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989 that do not conflict with or contradict GASB pronouncements. The more significant of the County's accounting policies are described below.

**Financial Reporting Entity**

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements 14 and 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government wide financial statements to emphasize that it is legally separate from the government.

The basic but not the only criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for including or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County has one component units and is not a component unit of another governmental agency.

**De Baca Family Practice Clinic**

De Baca Family Practice Clinic (Clinic) located in Fort Sumner, New Mexico is a not-for-profit community health center. The Clinic provides comprehensive and coordinated primary and ancillary medical services to all persons regardless of ability to pay, primarily for residents of De Baca County. The Clinic was incorporated in 2001 and is considered a component unit of De Baca County.

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

### **Basis of Presentation**

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the County. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported in the Statement of Fiduciary Net Assets at the fund financial statement level. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given program 2) operating grants and contributions that are restricted to meeting the operational requirements of a particular program and 3) capital grants or contributions restricted to meeting capital requirements of a particular program. Taxes and other items not properly included amount program revenues are reported instead as general revenues.

The County segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The County has presented the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the County and accounts for all revenues and expenditures of the County not encompassed within other funds.

**Correction Fees Fund**- Authorized by Section 33.3.25, NMSA, 1978 Compilation, to be used for the maintenance and operation of the County Jail, including training, construction thereof, cost of housing County prisoners, and/or as matching funds for federal grants as these funds relate to jails.

**Road Fund**- To account for funds used to maintain roads for which the County has responsibility. Financing is provided by motor vehicle fees and gasoline taxes flowing through from the state. Expenditures are restricted to the construction and maintenance of County roads. Authorized sections 7-1-6.26 and 27, 67-3-28.2, NMSA, 1978.

The County reports the following Fiduciary Fund types:

**Agency Funds-** These funds account for monies held on behalf of school districts, special districts, municipalities and the State of New Mexico that use the County as a depository; property taxes collected on behalf of other governments.

**Measurement Focus and Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resource measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. "Measurable means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes as available if they are collected within 30 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The specific revenue recognition policy for property taxes are recognized when levied, derived tax revenue (such as gross receipts tax) are recognized when the underlying transaction takes place, and grants are recognized when all of the eligibility requirements have been met.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Gross receipts taxes collected and held by the state at year on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

**NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Control**

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

1. The County administrator submits a proposed operating budget for the fiscal year commencing July 1, prior to June 30. The operating budget includes proposed expenditures and the means of financing them. A budget is proposed for the General and Special Revenue Funds.
2. Public hearings are conducted to obtain taxpayer comments. The budgets are then submitted to the Department of Finance and Administration for review, adjustment and approval.

3. Prior to June 30, the budget is legally enacted through passages of a resolution. The County Commission is authorized to transfer budgeted amounts between department within any fund. Department of Finance and Administration, Local Government Division must approve any revisions that alter the total expenditures of any fund.

4. Budgets for all funds are doped on a regulatory prescribed cash basis. The level of budgetary control is by fund total. Budgetary information is presented as amended. The amendments being adopted in a legally prescribed manner.

5. Expenditures for each budget may not legally exceed the appropriation for fund. Appropriations lapse at year-end with any unspent cash balance being available for expenditures and appropriation in the subsequent year's budget.

6. The County did not adopt the budget for the Clinic. The budgetary comparison for the Clinic appears in the Clinic's separate audit report.

#### **Cash and Cash Equivalents**

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

The County is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

#### **Investments**

All money not immediately necessary for the public uses of the County may be invested in :

(a) bonds or negotiable securities of the United States, the state or any county, municipality or County which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.



**Prepaid Items**

Prepaid balances are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

**Receivables and Payables**

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

**Capital Assets**

Capital assets, which includes property, plant, equipment (including software), and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The construction period interest is not capitalized in the proprietary funds.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

|                       |          |
|-----------------------|----------|
| Buildings             | 33 Years |
| Building Improvements | 33 Years |
| Furniture             | 5 Years  |
| Equipment             | 7 Years  |
| Vehicles              | 5 Years  |
| Heavy Equipment       | 10 Years |

**Use of Restricted Funds**

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

**Revenue**

The policy for defining the proprietary fund's operating revenues and expenses is how individual transactions would be categorized for purposes of preparing a statement of cash flows. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities normally are not reported as components of operating income.

**Compensated Absences**

The Liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Sick leave is lost if the employee leaves the County.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
Notes to the Financial Statements  
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**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments.

**NOTE 3: CASH AND INVESTMENTS**

The County is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

**Citizens Bank of Clovis**

| <u>Name of Account</u>     | <u>Balance<br/>Per Bank<br/>06-30-07</u> | <u>Reconciled<br/>Balance</u> | <u>Type</u> |
|----------------------------|--|-------------------------------|-------------|
| Federal Tax Account        | \$ 32                                    | \$ 32                         | Checking    |
| De Baca County NOW Account | 92,181                                   | 23,923                        | Checking    |
| De Baca County MMA Account | 789,761                                  | 789,761                       | Checking    |
| De Baca County CD          | 200,000                                  | 200,000                       | Savings     |
| De Baca County CD          | 200,000                                  | 200,000                       | Savings     |
| De Baca County CD          | 200,000                                  | 200,000                       | Savings     |
| De Baca County CD          | 200,000                                  | 200,000                       | Savings     |
| De Baca County CD          | 200,000                                  | 200,000                       | Savings     |
| De Baca County CD          | 200,000                                  | 200,000                       | Savings     |
| De Baca County CD 2222     | 130,000                                  | 130,000                       | Savings     |
| TOTAL Deposited            | <u>2,211,974</u>                         | <u>\$ 2,143,716</u>           |             |
| Less: FDIC Coverage        | <u>(200,000)</u>                         |                               |             |
| Uninsured Amount           | 2,011,974                                |                               |             |
| 50% collateral requirement | 1,005,987                                |                               |             |
| Pledged securities         | <u>1,608,874</u>                         |                               |             |
| Over (Under) requirement   | <u>\$ 602,887</u>                        |                               |             |

The following securities are pledged:

| <u>Description</u>   | <u>CUSIP #</u> | <u>Market Value</u> | <u>Maturity Date</u> | <u>Location</u>  |
|----------------------|----------------|---------------------|----------------------|------------------|
| GNMA Pool #<br>3696  | 36202EC98      | \$ 1,409,482        | 4/20/2020            | FHLB, Dallas, TX |
| GNMA Pool #<br>80848 | 36225CJ1       | 199,392             | 3/20/2034            | FHLB, Dallas, TX |
|                      |                | <u>\$ 1,608,874</u> |                      |                  |

**Custodial Credit Risk-Deposits**

| <u>Depository Account</u>                              | <u>Bank<br/>Balance</u> |
|--|-------------------------|
| Insured  | \$ 200,000              |
| Collateralized:  |                         |
| Collateral held by the pledging bank in<br>City's name | 1,608,874               |
| Uninsured and uncollateralized                         | 403,100                 |
| Total Deposits   | <u>\$ 2,211,974</u>     |

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Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2007 \$403,100 of the County's bank balance of \$2,211,974 was exposed to custodial credit risk.

**NOTE 4: RECEIVABLES**

Receivables as of June 30, 2007, were as follows:

| <u>Receivables</u> | <u>General</u>  | <u>Road</u>      | <u>Sheriffs<br/>Overtime</u> | <u>Nonmajor<br/>Funds</u> |
|--------------------|-----------------|------------------|------------------------------|---------------------------|
| Taxes:             |                 |                  |                              |                           |
| Gross Receipts     | \$ 6,635        | \$ 0             | \$ 0                         | \$ 8,110                  |
| Motor Vehicle      | 0               | 22,538           | 0                            | 0                         |
| Gasoline Tax       | 0               | 10,777           | 0                            | 0                         |
| Due from Grantor   | 0               | 0                | 5,227                        | 1,239                     |
|                    | <u>\$ 6,635</u> | <u>\$ 33,315</u> | <u>\$ 5,227</u>              | <u>\$ 9,349</u>           |

**Note 5: Tax Roll Reconciliation**

|   |                    |
|---|--------------------|
| Property taxes receivable, beginning of year    | \$ 71,363          |
| Restatement                                     | (53,996)           |
| Restated Beginning of year taxes receivable     | <u>17,367</u>      |
| Changes to tax roll:                            |                    |
| Net taxes charged to treasurer for fiscal year  | 1,375,112          |
| Adjustments:                                    |                    |
| Decreases in taxes receivables                  | 0                  |
| Charge off of taxes receivables                 | <u>0</u>           |
| Total receivables prior to collections          | 1,392,479          |
| Collections for fiscal year ended June 30, 2007 | <u>(1,374,733)</u> |
| Property taxes receivable, end of year          | <u>\$ 17,746</u>   |

Property taxes receivable by year:

|                        |                  |
|------------------------|------------------|
| 1997                   | \$ 4             |
| 1998                   | 188              |
| 1999                   | 25               |
| 2000                   | 25               |
| 2001                   | 461              |
| 2002                   | 59               |
| 2003                   | 57               |
| 2004                   | 387              |
| 2005                   | 3,648            |
| 2006                   | 12,892           |
| Total taxes receivable | <u>\$ 17,746</u> |

Information for ten years by entity is unavailable.

**NOTE 6: INTERFUND TRANSFERS**

Interfund transfers reflect a temporary transfer of cash due to temporary needs within the fund. The composition of interfund transfers during the year ended June 30, 2007 is as follows:

| <u>Transfers In</u>       | <u>Transfers Out</u> | <u>Amount</u>     |
|---------------------------|----------------------|-------------------|
| Corrections Fund          | General Fund         | \$ 249,901        |
| Farm & Range              | General Fund         | 19,451            |
| County Environmental Fund | Landfill Grant Fund  | 8,797             |
|                           |                      | <u>\$ 278,149</u> |

**NOTE 7: CAPITAL ASSETS**

Capital Assets Balances and Activity for the Year Ended June 30, 2007, is as follows:

|   | <u>Balance<br/>6/30/06</u> | <u>Increases</u>   | <u>Decreases</u> | <u>Balance<br/>6/30/07</u> |
|---|----------------------------|--------------------|------------------|----------------------------|
| <b>Governmental Activities</b>              |                            |                    |                  |                            |
| Capital Assets, not being Depreciated       |                            |                    |                  |                            |
| Land  | \$ 52,925                  | \$ 0               | \$ 0             | \$ 52,925                  |
| Total Capital Assets, not being Depreciated | <u>52,925</u>              | <u>0</u>           | <u>0</u>         | <u>52,925</u>              |
| Capital Assets, being Depreciated           |                            |                    |                  |                            |
| Land Improvements                           | 7,238                      | 0                  | 0                | 7,238                      |
| Infrastructure                              | 342,337                    | 0                  | 0                | 342,337                    |
| Buildings & Improvements                    | 1,693,136                  | 5,563              | 0                | 1,698,699                  |
| Equipment                                   | 1,067,483                  | 155,690            | 0                | 1,223,173                  |
| Total Capital Assets, being Depreciated     | <u>3,110,194</u>           | <u>161,253</u>     | <u>0</u>         | <u>3,271,447</u>           |
| Total Capital Assets                        | <u>\$ 3,163,119</u>        | <u>\$ 161,253</u>  | <u>\$ 0</u>      | <u>\$ 3,324,372</u>        |
| <b>Less Accumulated Depreciation</b>        |                            |                    |                  |                            |
| Land Improvements                           | \$ 1,034                   | \$ 1,034           | \$ 0             | \$ 2,068                   |
| Buildings & Improvements                    | 1,426,051                  | 17,443             | 0                | 1,443,494                  |
| Infrastructure                              | 10,374                     | 6,634              | 0                | 17,008                     |
| Equipment                                   | 668,615                    | 232,457            | 0                | 901,072                    |
| Total Accumulated Depreciation              | <u>2,106,074</u>           | <u>257,568</u>     | <u>0</u>         | <u>2,363,642</u>           |
| Capital Assets, net                         | <u>\$ 1,057,045</u>        | <u>\$ (96,315)</u> | <u>\$ 0</u>      | <u>\$ 960,730</u>          |

Depreciation expense was charged to governmental activities as follows:

|                             |                   |
|-----------------------------|-------------------|
| Unallocated                 | \$ 257,568        |
| Total depreciation expenses | <u>\$ 257,568</u> |

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
Notes to the Financial Statements  
June 30, 2007

**NOTE 8: LONG TERM DEBT**

A summary of activity in the Long-Term Debt is as follows:

|                         | Balance    |           |            | Balance    | Amounts Due Within |
|-------------------------|------------|-----------|------------|------------|--------------------|
|                         | 6/30/06    | Additions | Reductions | 6/30/07    | One Year           |
| Governmental Activities |            |           |            |            |                    |
| Notes Payable           | \$ 301,345 | \$ 0      | \$ 33,469  | \$ 267,876 | \$ 29,528          |
| Total Notes Payable     | 301,345    | 0         | 33,469     | 267,876    | 29,528             |
| Long-Term Liabilities   | \$ 301,345 | \$ 0      | \$ 33,469  | \$ 267,876 | \$ 29,528          |

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to County buildings and improving County grounds. A tax is annually assessed, levied and collected upon all taxable property within the County.

| Series | Maturity Date | Original Amount | Interest Rate | Balance           |
|--------|---------------|-----------------|---------------|-------------------|
| 1995   | 02/01/16      | 118,000         | 6.16%         | \$ 76,000         |
| 1995   | 02/01/07      | 31,000          | 5.33%         | 147,562           |
| 2000   | 05/01/14      | 183,994         | 0%            | 73,783            |
| 1996   | 05/01/20      | 103,202         | 0%            | 4,000             |
|        |               |                 |               | <u>\$ 301,345</u> |

The annual requirements to amortize the general obligation bonds as of June 30, 2007, including interest payments are as follows:

|           | Principal         | Interest         | Total             |
|-----------|-------------------|------------------|-------------------|
| 2008      | \$ 29,528         | \$ 5,010         | \$ 34,538         |
| 2009      | 29,587            | 4,548            | 34,135            |
| 2010      | 30,646            | 4,053            | 34,699            |
| 2011      | 30,705            | 3,618            | 34,323            |
| 2012      | 31,764            | 3,033            | 34,797            |
| 2013-2017 | 99,617            | 5,724            | 105,341           |
| 2018-2020 | 16,029            | 80               | 16,109            |
|           | <u>\$ 267,876</u> | <u>\$ 26,066</u> | <u>\$ 293,942</u> |

**NOTE 9: RISK MANAGEMENT**

The County participates in the New Mexico Self-Insurers Fund for medical insurance coverage for their employees. Commercial Insurance covers all other losses. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years. There are no claim liabilities at year end.

**NOTE 10: RETIREMENT PLAN**

All of the County's full time employees participate in a defined benefit contributory retirement plan through the Public Employees' Retirement Act (PERA) of the State of New Mexico, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability 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, NM 87504-2123.

De Baca County coverage requires them to contribute 9.15% of regular employee's gross wages and 10.00% of police employee's gross wages. Regular employees are required to contribute 9.15% of their gross wages and police employees are required to contribute 7.0% of their gross wages. The contribution requirements of plan member and De Baca County are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The De Baca County contribution to PERA for the years ending June 2007, 2006, and 2005 were \$42, 771, \$49,884, and \$53,640 respectively.

**NOTE 11: POST-EMPLOYMENT BENEFITS**

The Retiree Health Care Act (Chapter 10, Article 7C NMSA 1978) provides 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 program by adoption of an ordinance.

**NOTE 12: RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS STATEMENTS**

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual.

Reconciliations are located at the bottom of each budget actual.

**NOTE 13: BUDGET VIOLATIONS**

The County had budget overruns in the Correction Fund for \$52,775, the Lake Sumner Fire Fund for \$19,733 and the Valley Fire Fund for \$5,7662.

**NOTE 14: INDUSTRIAL REVENUE BONDS**

In a prior year the County issued industrial revenue bonds pursuant to the County Industrial Revenue Bond Act, Section 4-59-1 through 4-59-16, NMSA, 1978, as amended. As defined in the statute, the bonds and interest coupons, if any, issued under the authority of the County Industrial Revenue Bond Act will never constitute an indebtedness of the County. These bonds were issued to finance the acquisition, construction and equipping of a wind farm for the purpose of generating electricity.

**NOTE 15: LANDFILL CLOSURE AND POST-CLOSURE CARE 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 years after closure. In addition to operating expenses related to current activities of the landfill site, an expenses 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 these landfill closure and post-closure costs is based on the amount of the landfill used during the year.

The landfill is operated on property owed by the Village of Fort Sumner. The County and the Village are accumulating funds, through the imposition of a gross receipts tax, to fund the closure and post closure care cost. The monies accumulated by the County is \$56,448.

The landfill is to be closed in the near future, based on the requirements of the New Mexico Environment Department. The estimated liability for the landfill closure and post-closure care cost is \$736,500 as of June 30, 2007, which is based on a total usage 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 landfills were acquired as of June 30, 2007. However, post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

**NOTE 16: AGENCY FUND**

The Agency Fund is to account for taxes and other monies collected by the County on behalf of the local School district and Municipality within the County and the State of New Mexico.

|                   | Restated<br>Beginning<br>Balances<br>6/30/2006 | Additions           | Deletions           | Balances<br>6/30/2007 |
|-------------------|--|---------------------|---------------------|-----------------------|
| <b>ASSETS</b>     |  |                     |                     |                       |
| Cash on hand      | \$ 492   | \$ 0                | \$ 492              | \$ 0                  |
| Taxes receivables | 13,393   | 1,374,733           | 1,370,380           | 17,746                |
| Total assets      | <u>\$ 13,885</u>                               | <u>\$ 1,374,733</u> | <u>\$ 1,370,872</u> | <u>\$ 17,746</u>      |

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
Notes to the Financial Statements  
June 30, 2007

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**LIABILITIES**

|                          |    |               |                     |                     |                  |
|--------------------------|----|---------------|---------------------|---------------------|------------------|
| Deposits held for others |    |               |                     |                     |                  |
| General                  | \$ | 0             | \$ 475,849          | \$ 475,849          | \$ 0             |
| Hospital                 |    | 0             | 170,669             | 170,669             | 0                |
| Irrigation Districts     |    | 0             | 263,561             | 263,561             | 0                |
| Treasurer-Taxes Paid in  |    |               |                     |                     |                  |
| Advance                  |    | 492           | 0                   | 492                 | 0                |
| Municipalities           |    | 0             | 16,651              | 16,651              | 0                |
| State of New Mexico      |    | 0             | 98,159              | 98,159              | 0                |
| School Districts         |    | 0             | 344,456             | 344,456             | 0                |
| Uncollected taxes        |    | 13,393        | 5,388               | 1,035               | 17,746           |
| Total liabilities        | \$ | <u>13,885</u> | \$ <u>1,374,733</u> | \$ <u>1,370,872</u> | \$ <u>17,746</u> |

**NOTE 17: FUND BALANCE RESTATEMENT**

The fund balance and net assets were restated by \$(98,054) for two outstanding checks that were not included in the June 30, 2006 bank reconciliation. Cash reported on the financial statements in the general fund was reported as \$565,673. The correct amount was \$467,619 for a difference of \$98,054.

**NOTE 18: RECEIVABLE RESTATEMENT**

There was a restatement to Uncollected Taxes of \$54,478.

|                   | Beginning<br>Balance | Restatement        | Restated<br>Beginning<br>Balance |
|-------------------|----------------------|--------------------|----------------------------------|
| Uncollected Taxes | \$ <u>71,363</u>     | \$ <u>(57,478)</u> | \$ <u>13,885</u>                 |

The cash balance and deferred revenue adjustments have no effect on the restatements to Net Assets or Fund Balances.

**NOTE 19: COMPONENT UNIT**

The De Baca Family Practice Clinic is a component unit of the County. The Clinic issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to De Baca Family Practice Clinic, PO Box 349, Fort Sumner, New Mexico 88119.



**SUPPLEMENTAL INFORMATION RELATED TO  
MAJOR FUNDS**

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-CORRECTION FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>  |                  |                  |                                |   |
| Gross Receipts Taxes   | \$ 30,000        | \$ 30,000        | \$ 30,761                      | \$ 761  |
| Fees   | 24,000           | 24,000           | 24,972                         | (972)   |
| Interest Income  | 0                | 0                | 144                            | (144)   |
| Miscellaneous  | 0                | 0                | 2,070                          | (2,070)   |
| <b>Total Revenues</b>  | <u>54,000</u>    | <u>54,000</u>    | <u>57,947</u>                  | <u>(2,425)</u>                                    |
| <b>Expenditures</b>  |                  |                  |                                |   |
| Public Safety  |                  |                  |                                |   |
| Personnel Services   | 148,150          | 148,150          | 178,120                        | (29,970)  |
| Employee Benefits  | 28,966           | 28,966           | 29,116                         | (150)   |
| Operating Expenses   | 72,150           | 72,150           | 94,805                         | (22,655)  |
| Debt Service   |                  |                  |                                |   |
| Principal  | 5,185            | 5,185            | 5,185                          | 0   |
| Interest   | 184              | 184              | 184                            | 0   |
| <b>Total Expenditures</b>                                    | <u>254,635</u>   | <u>254,635</u>   | <u>307,410</u>                 | <u>(52,775)</u>                                   |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | <u>(200,635)</u> | <u>(200,635)</u> | <u>(249,463)</u>               | <u>(48,828)</u>                                   |
| Other Financing Sources (Uses)                               |                  |                  |                                |   |
| Transfer from General  | 250,000          | 250,000          | 249,901                        | 249,901   |
| <b>Total Other Sources (Uses)</b>                            | <u>250,000</u>   | <u>250,000</u>   | <u>249,901</u>                 | <u>249,901</u>                                    |
| Net Changes in Fund Balance                                  | 49,365           | 49,365           | 438                            | (48,927)  |
| Cash Balance Beginning of Year                               | <u>10,347</u>    | <u>10,347</u>    | <u>10,347</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>59,712</u> | \$ <u>59,712</u> | \$ <u>10,785</u>               | \$ <u>(48,927)</u>                                |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ <u>(249,463)</u>            |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                  | \$ <u>(249,463)</u>            |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-ROAD FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts  |                   | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|-------------------|-------------------|--------------------------------|---|
|  | Original          | Final             |                                |   |
| <b>Revenues</b>  |                   |                   |                                |   |
| Motor Vehicle Taxes  | \$ 240,000        | \$ 240,000        | \$ 231,580                     | \$ (8,420)  |
| Gasoline Taxes   | 120,500           | 120,500           | 130,263                        | (9,763)   |
| Charges for Services   | 0                 | 0                 | 261                            | (261)   |
| Rents  | 3,000             | 3,000             | 6,175                          | (3,175)   |
| State Grants   | 0                 | 0                 | 359,599                        | (359,599)   |
| Interest Income  | 17,000            | 17,000            | 34,260                         | (17,260)  |
| Miscellaneous  | 0                 | 0                 | 5,129                          | (5,129)   |
| Total Revenues   | <u>380,500</u>    | <u>380,500</u>    | <u>767,267</u>                 | <u>(403,607)</u>                                  |
| <b>Expenditures</b>  |                   |                   |                                |   |
| Highways & Streets   |                   |                   |                                |   |
| Personnel Services   | 291,398           | 291,398           | 223,154                        | 68,244  |
| Employee Benefits  | 78,476            | 78,476            | 63,671                         | 14,805  |
| Operating Expenses   | 330,124           | 330,124           | 417,308                        | (87,184)  |
| Capital Outlay   | 150,000           | 150,000           | 29,575                         | 120,425   |
| Total Expenditures   | <u>849,998</u>    | <u>849,998</u>    | <u>733,708</u>                 | <u>116,290</u>                                    |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | <u>(469,498)</u>  | <u>(469,498)</u>  | <u>33,559</u>                  | <u>503,057</u>                                    |
| Cash Balance Beginning of Year                               | <u>1,073,958</u>  | <u>1,073,958</u>  | <u>1,073,958</u>               | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 604,460</u> | <u>\$ 604,460</u> | <u>\$ 1,107,517</u>            | <u>\$ 503,057</u>                                 |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                   |                   |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                   |                   | \$ 33,559                      |   |
| Net Change in Taxes Receivable                               |                   |                   | 1,218                          |   |
| Net Change in Accounts Payable                               |                   |                   | 1,730                          |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                   |                   | <u>\$ 36,507</u>               |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-SHERIFFS OVERTIME FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|---------------|--------------------------------|---|
|  | Original         | Final         |                                |   |
| <b>Revenues</b>  |                  |               |                                |   |
| State Grants   | \$ 0             | \$ 14,087     | \$ 8,860                       | \$ (5,227)  |
| Total Revenues   | <u>0</u>         | <u>14,087</u> | <u>8,860</u>                   | <u>(5,227)</u>                                    |
| <b>Expenditures</b>  |                  |               |                                |   |
| <b>Public Safety</b>   |                  |               |                                |   |
| Personnel Services   | 0                | 13,086        | 13,086                         | 0   |
| Employee Benefits  | <u>0</u>         | <u>1,001</u>  | <u>1,001</u>                   | <u>0</u>  |
| Total Expenditures   | <u>0</u>         | <u>14,087</u> | <u>14,087</u>                  | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures                                     | <u>0</u>         | <u>0</u>      | <u>(5,227)</u>                 | <u>(5,227)</u>                                    |
| <b>Other Financing Sources (Uses)</b>  |                  |               |                                |   |
| Transfer from General  | <u>0</u>         | <u>0</u>      | <u>0</u>                       | <u>0</u>  |
| Total Other Sources (Uses)   | <u>0</u>         | <u>0</u>      | <u>0</u>                       | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>and Other Sources Over Expenditures<br>and Other Uses | 0                | 0             | (5,227)                        | (5,227)   |
| Cash Balance Beginning of Year   | <u>0</u>         | <u>0</u>      | <u>0</u>                       | <u>0</u>  |
| Cash Balance End of Year   | <u>\$ 0</u>      | <u>\$ 0</u>   | <u>\$ (5,227)</u>              | <u>\$ (5,227)</u>                                 |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>                                   |                  |               |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis                             |                  |               | \$ (5,227)                     |   |
| Net Change in Taxes Receivable   |                  |               | <u>5,227</u>                   |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis                             |                  |               | <u>\$ 0</u>                    |   |

The notes to the financial statements are an integral part of this statement.

**SUPPLEMENTAL INFORMATION RELATED TO  
NON MAJOR FUNDS**

## **NONMAJOR GOVERNMENTAL FUNDS**

### **County Environmental Fund**

To account for environmental services gross receipts tax to be used to cover expenses associated with landfills, water systems and other environmental services. Authority for creation of this fund is contained in Resolution R-96-31.

### **Reappraisal Fund**

To account for the operations of a fund to help with reappraisal of County property to insure valuation reflects current fair market value. Financing is provided by 1% of tax collections. Authority is Section 7-38-38.1, NMSA 1978.

### **Lake Sumner EMS Fund**

To account for a grant from the State of New Mexico to be used for the acquisition of emergency medical services to County resident. Sources of funds are the State of New Mexico Health Department Emergency Medical Services Bureau. Authority is Section 24-10A-1 through 10, NMSA 1978.

### **Enhanced 911 Grant Fund**

To account for monies authorized by legislative appropriation to provide enhanced 911 service to County residents. Authority is NMSA 6-1-6.

### **Farm & Range Fund**

To account for the operations of farm and range activities, including soil and water conservation, predatory animal and insect control. Financing is provided from distributions made under the Taylor Grazing Act. Authority is Section 6-11-6, NMSA 1978.

### **Lake Sumner Fire Fund**

To account for the operations and maintenance of the fire department servicing the Lake Sumner area. Financing is primarily from an annual state fire allotment. The fund was created by the authority of state grant provisions. (NMSA 59A-53-1)

### **Valley Fire Fund**

To account for the operations and maintenance of the fire department servicing the Valley area. Financing is primarily from an annual state fire allotment. The fund was created by the authority of state grant provisions. (NMSA 59A-53-1)

### **Beautification Grant Fund**

To account for the up keeping and beautification of the County and communities located within the County. Funding is provided by a state grant and the fund was created b the authority of state grant provisions.

### **Law Enforcement Protection Fund**

To account for a grant from the State of New Mexico Correction Department through the Law Enforcement Protection Act. The funding is to be used for law enforcement improvements. Authority is 29-13-1, NMSA 1978.

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Civil Defense Fund**

To account for the monitoring of funds received from the State of New Mexico to keep the public informed of impending disaster. Funding is provided by state grant and authority is by the grant provisions.

### **Health Grant Fund**

To account for a grant from the New Mexico Department of Health-Public Health Division. Funding is provided by a state grant and authority is provided by state grant provisions.

### **Homeland Security Fund**

To account for monies spend to purchase equipment used to make County more secure. Funding was provided by a federal grant and the fund was created by the authority of the federal grant provisions.

### **JAG (Justice Assistance Grant) Fund**

To account for monies received from the US Department of Justice to help defray the cost of non-certified employees and supplies. The funding is provided by a federal grant and created by federal grant provisions.

### **Sheriffs Forfeiture Fund**

To account for monies seized by the Sheriffs Department. The fund was created by state provisions.

### **Traffic Safety Fund**

Authorized by County resolution to accept fund from the New Mexico State Highway Department for overtime reimbursement in the enforcement of safety belts, speed control and DWI patrols. Authority is provided by state provisions.

### **County Indigent Fund**

To account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute Section 7-20E-9, NMSA 1978 Compilation.

### **Ambulance Fund**

To account for 1-4% County fire protection excise tax imposed by the ordinance of the Board of County Commissioners of De Baca County under authority of Section 7-20A-3, NMSA 1978, the proceeds of which are dedicated solely to the provision of ambulance services, imposed before 1986. Authority is provided by state provisions.

### **Recording & Equipment Fund**

To account for monies collected by the County Clerk's office for each instrument recorded and when the instrument is photocopied, the County Clerk may charge, in addition to any other fees authorized by law, and equipment recording fee. The equipment recording fee revenues are to be expended only to rent, purchase, lease or lease-purchase equipment associated with recording, filing, maintaining or reproducing document in the County Clerk's office and for staff training on office procedures and equipment. Authority is the Absentee-Early Voting Act (Section 14-8-12.2, NMSA 1978).

## **NONMAJOR GOVERNMENTAL FUNDS**

### **Flu Pandemic Fund**

To account for the purchase of flu vaccine made available in the event that the community should have a pandemic flu outbreak. Funding is provided by state funds and authority is based on state provisions.

### **County Reserve Fund**

To account for 1/8% County gross receipts tax, authorized to be imposed under the County Gross receipts tax, authorized to be imposed under the County Gross Receipts Tax Act (Sections 7-20E-1 through 7-20E-25, NMSA 1978), the proceeds of which will be expended for maintenance of the County Courthouse, imposed before 1986.

### **Dare Fund**

Authorized by Section 31-20-6, NMSA 1978 to account for contribution collected from law violators. These contributions are made as directed by Magistrate Judge.

### **Hospital Fund**

To account for monies received from prior patients and medicare reimbursements to be used for the upkeep of the clinic building. Authorized by County Resolution.

### **Landfill Grant Fund**

To account for funds received from an environmental grant to purchase equipment and help with costs at the De Baca County landfill. Funds are authorized by the State Legislature and the State Environmental Department.

### **Canteen Fund**

To account for telephone commission to be used for the benefit of prisoners (usually purchase of cable television). Authorized by County Resolution.

### **Capital Outlay**

#### **Court House Grant Fund**

To account for expenditures modernizing the court house funded by Legislative Appropriations. Authority is provided by state provisions.



STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2007

|                                     | County<br>Environmental<br>Fund | Reappraisal<br>Fund | Lake Sumner<br>EMS<br>Fund |
|-------------------------------------|---------------------------------|---------------------|----------------------------|
| <b>ASSETS</b>                       |                                 |                     |                            |
| Cash and Cash Equivalents           | \$ 55,209                       | \$ 13,904           | \$ 15,793                  |
| Receivables                         |                                 |                     |                            |
| Taxes                               | 1,627                           | 0                   | 0                          |
| Interfund Balance                   | 1,239                           | 0                   | 0                          |
| Due from Grantor                    | 0                               | 0                   | 0                          |
| Total Assets                        | <u>\$ 58,075</u>                | <u>\$ 13,904</u>    | <u>\$ 15,793</u>           |
| <b>LIABILITIES AND FUND BALANCE</b> |                                 |                     |                            |
| Liabilities                         |                                 |                     |                            |
| Interfund Balance                   | \$ 0                            | \$ 0                | \$ 0                       |
| Deferred Revenue                    | <u>0</u>                        | <u>0</u>            | <u>0</u>                   |
| Total Liabilities                   | <u>0</u>                        | <u>0</u>            | <u>0</u>                   |
| Fund Balance                        |                                 |                     |                            |
| Unreserved Reported In:             |                                 |                     |                            |
| Special Revenue                     | <u>58,075</u>                   | <u>13,904</u>       | <u>15,793</u>              |
| Total Fund Balance                  | <u>58,075</u>                   | <u>13,904</u>       | <u>15,793</u>              |
| Total Liabilities and Fund Balance  | <u>\$ 58,075</u>                | <u>\$ 13,904</u>    | <u>\$ 15,793</u>           |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2007

|                                     | Enhanced<br>911 Grant<br>Fund | Farm & Range<br>Fund | Lake Sumner<br>Fire<br>Fund |
|-------------------------------------|-------------------------------|----------------------|-----------------------------|
| <b>ASSETS</b>                       |                               |                      |                             |
| Cash and Cash Equivalents           | \$ 783                        | \$ 0                 | \$ 37,155                   |
| Receivables                         |                               |                      |                             |
| Taxes                               | 0                             | 0                    | 0                           |
| Interfund Balance                   | 0                             | 0                    | 0                           |
| Due from Grantor                    | 0                             | 1,239                | 0                           |
| Total Assets                        | <u>\$ 783</u>                 | <u>\$ 1,239</u>      | <u>\$ 37,155</u>            |
| <b>LIABILITIES AND FUND BALANCE</b> |                               |                      |                             |
| Liabilities                         |                               |                      |                             |
| Interfund Balance                   | \$ 0                          | \$ 1,239             | \$ 0                        |
| Deferred Revenue                    | <u>0</u>                      | <u>0</u>             | <u>0</u>                    |
| Total Liabilities                   | <u>0</u>                      | <u>1,239</u>         | <u>0</u>                    |
| Fund Balance                        |                               |                      |                             |
| Unreserved Reported In:             |                               |                      |                             |
| Special Revenue                     | <u>783</u>                    | <u>0</u>             | <u>37,155</u>               |
| Total Fund Balance                  | <u>783</u>                    | <u>0</u>             | <u>37,155</u>               |
| Total Liabilities and Fund Balance  | <u>\$ 783</u>                 | <u>\$ 1,239</u>      | <u>\$ 37,155</u>            |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2007

|                                     | Valley Fire<br>Fund | Beautification<br>Grant<br>Fund | Law<br>Enforcement<br>Protection<br>Fund |
|-------------------------------------|---------------------|---------------------------------|--|
| <b>ASSETS</b>                       |                     |                                 |  |
| Cash and Cash Equivalents           | \$ 58,813           | \$ 8                            | \$ 2,785                                 |
| Receivables                         |                     |                                 |  |
| Taxes                               | 0                   | 0                               | 0  |
| Interfund Balance                   | 0                   | 0                               | 0  |
| Due from Grantor                    | 0                   | 0                               | 0  |
| Total Assets                        | <u>\$ 58,813</u>    | <u>\$ 8</u>                     | <u>\$ 2,785</u>                          |
| <b>LIABILITIES AND FUND BALANCE</b> |                     |                                 |  |
| Liabilities                         |                     |                                 |  |
| Interfund Balance                   | \$ 0                | \$ 0                            | \$ 0                                     |
| Deferred Revenue                    | <u>0</u>            | <u>0</u>                        | <u>0</u>                                 |
| Total Liabilities                   | <u>0</u>            | <u>0</u>                        | <u>0</u>                                 |
| Fund Balance                        |                     |                                 |  |
| Unreserved Reported In:             |                     |                                 |  |
| Special Revenue                     | <u>58,813</u>       | <u>8</u>                        | <u>2,785</u>                             |
| Total Fund Balance                  | <u>58,813</u>       | <u>8</u>                        | <u>2,785</u>                             |
| Total Liabilities and Fund Balance  | <u>\$ 58,813</u>    | <u>\$ 8</u>                     | <u>\$ 2,785</u>                          |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2007

|                                     | Civil<br>Defense<br>Fund | Health<br>Grant<br>Fund | Homeland<br>Security<br>Fund |
|-------------------------------------|--------------------------|-------------------------|------------------------------|
| <b>ASSETS</b>                       |                          |                         |                              |
| Cash and Cash Equivalents           | \$ 0                     | \$ 25,281               | \$ 399                       |
| Receivables                         |                          |                         |                              |
| Taxes                               | 0                        | 0                       | 0                            |
| Interfund Balance                   | 0                        | 0                       | 0                            |
| Due from Grantor                    | 0                        | 0                       | 0                            |
| Total Assets                        | <u>\$ 0</u>              | <u>\$ 25,281</u>        | <u>\$ 399</u>                |
| <b>LIABILITIES AND FUND BALANCE</b> |                          |                         |                              |
| Liabilities                         |                          |                         |                              |
| Interfund Balance                   | \$ 0                     | \$ 0                    | \$ 0                         |
| Deferred Revenue                    | <u>0</u>                 | <u>0</u>                | <u>0</u>                     |
| Total Liabilities                   | <u>0</u>                 | <u>0</u>                | <u>0</u>                     |
| Fund Balance                        |                          |                         |                              |
| Unreserved Reported In:             |                          |                         |                              |
| Special Revenue                     | <u>0</u>                 | <u>25,281</u>           | <u>399</u>                   |
| Total Fund Balance                  | <u>0</u>                 | <u>25,281</u>           | <u>399</u>                   |
| Total Liabilities and Fund Balance  | <u>\$ 0</u>              | <u>\$ 25,281</u>        | <u>\$ 399</u>                |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2007

|                                     | JAG<br>Fund     | Sheriffs<br>Forfeiture<br>Fund | Traffic<br>Safety<br>Fund |
|-------------------------------------|-----------------|--------------------------------|---------------------------|
| <b>ASSETS</b>                       |                 |                                |                           |
| Cash and Cash Equivalents           | \$ 2,893        | \$ 614                         | \$ 2,771                  |
| Receivables                         |                 |                                |                           |
| Taxes                               | 0               | 0                              | 0                         |
| Interfund Balance                   | 0               | 0                              | 0                         |
| Due from Grantor                    | 0               | 0                              | 0                         |
| Total Assets                        | <u>\$ 2,893</u> | <u>\$ 614</u>                  | <u>\$ 2,771</u>           |
| <b>LIABILITIES AND FUND BALANCE</b> |                 |                                |                           |
| Liabilities                         |                 |                                |                           |
| Interfund Balance                   | \$ 0            | \$ 0                           | \$ 0                      |
| Deferred Revenue                    | <u>2,893</u>    | <u>0</u>                       | <u>0</u>                  |
| Total Liabilities                   | <u>2,893</u>    | <u>0</u>                       | <u>0</u>                  |
| Fund Balance                        |                 |                                |                           |
| Unreserved Reported In:             |                 |                                |                           |
| Special Revenue                     | <u>0</u>        | <u>614</u>                     | <u>2,771</u>              |
| Total Fund Balance                  | <u>0</u>        | <u>614</u>                     | <u>2,771</u>              |
| Total Liabilities and Fund Balance  | <u>\$ 2,893</u> | <u>\$ 614</u>                  | <u>\$ 2,771</u>           |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2007

|                                     | County<br>Indigent<br>Fund | Ambulance<br>Fund | Recording &<br>Equipment<br>Fund |
|-------------------------------------|----------------------------|-------------------|----------------------------------|
| <b>ASSETS</b>                       |                            |                   |                                  |
| Cash and Cash Equivalents           | \$ 40,323                  | \$ 6,142          | \$ 7,968                         |
| Receivables                         |                            |                   |                                  |
| Taxes                               | 2,941                      | 3,255             | 0                                |
| Interfund Balance                   | 0                          | 0                 | 0                                |
| Due from Grantor                    | 0                          | 0                 | 0                                |
| Total Assets                        | <u>\$ 43,264</u>           | <u>\$ 9,397</u>   | <u>\$ 7,968</u>                  |
| <b>LIABILITIES AND FUND BALANCE</b> |                            |                   |                                  |
| Liabilities                         |                            |                   |                                  |
| Interfund Balance                   | \$ 0                       | \$ 0              | \$ 0                             |
| Deferred Revenue                    | <u>0</u>                   | <u>0</u>          | <u>0</u>                         |
| Total Liabilities                   | <u>0</u>                   | <u>0</u>          | <u>0</u>                         |
| Fund Balance                        |                            |                   |                                  |
| Unreserved Reported In:             |                            |                   |                                  |
| Special Revenue                     | <u>43,264</u>              | <u>9,397</u>      | <u>7,968</u>                     |
| Total Fund Balance                  | <u>43,264</u>              | <u>9,397</u>      | <u>7,968</u>                     |
| Total Liabilities and Fund Balance  | <u>\$ 43,264</u>           | <u>\$ 9,397</u>   | <u>\$ 7,968</u>                  |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2007

|                                     | <u>Flu<br/>Pandemic<br/>Fund</u> | <u>County<br/>Reserve<br/>Fund</u> | <u>DARE<br/>Fund</u> |
|-------------------------------------|----------------------------------|------------------------------------|----------------------|
| <b>ASSETS</b>                       |                                  |                                    |                      |
| Cash and Cash Equivalents           | \$ 10,942                        | \$ 28,607                          | \$ 808               |
| Receivables                         |                                  |                                    |                      |
| Taxes                               | 0                                | 287                                | 0                    |
| Interfund Balance                   | 0                                | 0                                  | 0                    |
| Due from Grantor                    | 0                                | 0                                  | 0                    |
| Total Assets                        | <u>\$ 10,942</u>                 | <u>\$ 28,894</u>                   | <u>\$ 808</u>        |
| <b>LIABILITIES AND FUND BALANCE</b> |                                  |                                    |                      |
| Liabilities                         |                                  |                                    |                      |
| Interfund Balance                   | \$ 0                             | \$ 0                               | \$ 0                 |
| Deferred Revenue                    | <u>0</u>                         | <u>0</u>                           | <u>0</u>             |
| Total Liabilities                   | <u>0</u>                         | <u>0</u>                           | <u>0</u>             |
| Fund Balance                        |                                  |                                    |                      |
| Unreserved Reported In:             |                                  |                                    |                      |
| Special Revenue                     | <u>10,942</u>                    | <u>28,894</u>                      | <u>808</u>           |
| Total Fund Balance                  | <u>10,942</u>                    | <u>28,894</u>                      | <u>808</u>           |
| Total Liabilities and Fund Balance  | <u>\$ 10,942</u>                 | <u>\$ 28,894</u>                   | <u>\$ 808</u>        |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2007

|                                     | Hospital<br>Fund  | Landfill Grant<br>Fund | Canteen<br>Fund |
|-------------------------------------|-------------------|------------------------|-----------------|
| <b>ASSETS</b>                       |                   |                        |                 |
| Cash and Cash Equivalents           | \$ 133,503        | \$ 0                   | \$ 3,620        |
| Receivables                         |                   |                        |                 |
| Taxes                               | 0                 | 0                      | 0               |
| Interfund Balance                   | 0                 | 0                      | 0               |
| Due from Grantor                    | 0                 | 0                      | 0               |
| Total Assets                        | <u>\$ 133,503</u> | <u>\$ 0</u>            | <u>\$ 3,620</u> |
| <b>LIABILITIES AND FUND BALANCE</b> |                   |                        |                 |
| Liabilities                         |                   |                        |                 |
| Interfund Balance                   | \$ 0              | \$ 0                   | \$ 0            |
| Deferred Revenue                    | <u>0</u>          | <u>0</u>               | <u>0</u>        |
| Total Liabilities                   | <u>0</u>          | <u>0</u>               | <u>0</u>        |
| Fund Balance                        |                   |                        |                 |
| Unreserved Reported In:             |                   |                        |                 |
| Special Revenue                     | <u>133,503</u>    | <u>0</u>               | <u>3,620</u>    |
| Total Fund Balance                  | <u>133,503</u>    | <u>0</u>               | <u>3,620</u>    |
| Total Liabilities and Fund Balance  | <u>\$ 133,503</u> | <u>\$ 0</u>            | <u>\$ 3,620</u> |

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet  
June 30, 2007

|                                     | <u>Capital Outlay</u> |                |
|-------------------------------------|-----------------------|----------------|
|                                     | Court House           |                |
|                                     | Grant                 |                |
|                                     | Fund                  | Total          |
| <b>ASSETS</b>                       |                       |                |
| Cash and Cash Equivalents           | \$ 0                  | 448,321        |
| Receivables                         |                       |                |
| Taxes                               | 0                     | 8,110          |
| Interfund Balance                   | 0                     | 1,239          |
| Due from Grantor                    | 0                     | 1,239          |
| Total Assets                        | <u>\$ 0</u>           | <u>458,909</u> |
| <b>LIABILITIES AND FUND BALANCE</b> |                       |                |
| Liabilities                         |                       |                |
| Interfund Balance                   | \$ 0                  | 1,239          |
| Deferred Revenue                    | 0                     | 2,893          |
| Total Liabilities                   | <u>0</u>              | <u>4,132</u>   |
| Fund Balance                        |                       |                |
| Unreserved Reported In:             |                       |                |
| Special Revenue                     | 0                     | 454,777        |
| Total Fund Balance                  | <u>0</u>              | <u>454,777</u> |
| Total Liabilities and Fund Balance  | <u>\$ 0</u>           | <u>458,909</u> |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2007

|  | County<br>Environmental<br>Fund | Reappraisal<br>Fund | Lake Sumner<br>EMS<br>Fund |
|--|---------------------------------|---------------------|----------------------------|
| Revenues   |                                 |                     |                            |
| Taxes:   |                                 |                     |                            |
| Gross Receipts                                       | \$ 12,135                       | \$ 0                | \$ 0                       |
| Intergovernmental:                                   |                                 |                     |                            |
| Federal Grants                                       | 0                               | 0                   | 0                          |
| State Grants   | 0                               | 0                   | 3,024                      |
| Fines & Forfeitures                                  | 0                               | 0                   | 0                          |
| Fees   | 0                               | 13,816              | 0                          |
| Interest Income                                      | 59                              | 0                   | 52                         |
| Miscellaneous  | 0                               | 2,609               | 0                          |
| Total Revenues                                       | <u>12,194</u>                   | <u>16,425</u>       | <u>3,076</u>               |
| Expenditures   |                                 |                     |                            |
| Current  |                                 |                     |                            |
| General Government                                   | 0                               | 11,870              | 0                          |
| Public Safety  | 0                               | 0                   | 1,186                      |
| Public Works   | 0                               | 0                   | 0                          |
| Culture & Recreation                                 | 0                               | 0                   | 0                          |
| Health & Welfare                                     | 0                               | 0                   | 0                          |
| Capital Outlay                                       | 0                               | 0                   | 0                          |
| Debt Service   |                                 |                     |                            |
| Principal  | 0                               | 0                   | 0                          |
| Interest   | 0                               | 0                   | 0                          |
| Total Expenditures                                   | <u>0</u>                        | <u>11,870</u>       | <u>1,186</u>               |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>12,194</u>                   | <u>4,555</u>        | <u>1,890</u>               |
| Other Financing Sources (Uses)                       |                                 |                     |                            |
| Transfers In/(Out)                                   | <u>8,797</u>                    | <u>0</u>            | <u>0</u>                   |
| Total Other Financing Sources (Uses)                 | <u>8,797</u>                    | <u>0</u>            | <u>0</u>                   |
| Net Changes in Fund Balance                          | 20,991                          | 4,555               | 1,890                      |
| Fund Balances at Beginning of Year                   | <u>37,084</u>                   | <u>9,349</u>        | <u>13,903</u>              |
| Fund Balance End of Year                             | <u>\$ 58,075</u>                | <u>\$ 13,904</u>    | <u>\$ 15,793</u>           |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2007

|  | Enhanced<br>911 Grant<br>Fund | Farm & Range<br>Fund | Lake Sumner<br>Fire<br>Fund |
|--|-------------------------------|----------------------|-----------------------------|
| Revenues   |                               |                      |                             |
| Taxes:   |                               |                      |                             |
| Gross Receipts                                       | \$ 0                          | \$ 0                 | \$ 0                        |
| Intergovernmental:                                   |                               |                      |                             |
| Federal Grants                                       | 0                             | 8,286                | 0                           |
| State Grants   | 0                             | 0                    | 56,887                      |
| Fines & Forfeitures                                  | 0                             | 0                    | 0                           |
| Fees   | 0                             | 0                    | 0                           |
| Interest Income                                      | 0                             | 45                   | 202                         |
| Miscellaneous  | 0                             | 0                    | 1,581                       |
| Total Revenues                                       | <u>0</u>                      | <u>8,331</u>         | <u>58,670</u>               |
| Expenditures   |                               |                      |                             |
| Current  |                               |                      |                             |
| General Government                                   | 0                             | 0                    | 0                           |
| Public Safety  | 0                             | 0                    | 20,545                      |
| Public Works   | 0                             | 0                    | 0                           |
| Culture & Recreation                                 | 0                             | 0                    | 0                           |
| Health & Welfare                                     | 0                             | 30,000               | 0                           |
| Capital Outlay                                       | 0                             | 0                    | 28,128                      |
| Debt Service   |                               |                      |                             |
| Principal  | 0                             | 0                    | 10,000                      |
| Interest   | 0                             | 0                    | 5,143                       |
| Total Expenditures                                   | <u>0</u>                      | <u>30,000</u>        | <u>63,816</u>               |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>0</u>                      | <u>(21,669)</u>      | <u>(5,146)</u>              |
| Other Financing Sources (Uses)                       |                               |                      |                             |
| Transfers In/(Out)                                   | <u>0</u>                      | <u>19,451</u>        | <u>0</u>                    |
| Total Other Financing Sources (Uses)                 | <u>0</u>                      | <u>19,451</u>        | <u>0</u>                    |
| Net Changes in Fund Balance                          | 0                             | (2,218)              | (5,146)                     |
| Fund Balances at Beginning of Year                   | <u>783</u>                    | <u>2,218</u>         | <u>42,301</u>               |
| Fund Balance End of Year                             | <u>\$ 783</u>                 | <u>\$ 0</u>          | <u>\$ 37,155</u>            |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2007

|  | Valley Fire<br>Fund | Beautification<br>Grant<br>Fund | Law<br>Enforcement<br>Protection<br>Fund |
|--|---------------------|---------------------------------|--|
| Revenues   |                     |                                 |  |
| Taxes:   |                     |                                 |  |
| Gross Receipts                                       | \$ 0                | \$ 0                            | \$ 0                                     |
| Intergovernmental:                                   |                     |                                 |  |
| Federal Grants                                       | 0                   | 0                               | 0  |
| State Grants   | 89,079              | 1,750                           | 23,000                                   |
| Fines & Forfeitures                                  | 0                   | 0                               | 0  |
| Fees   | 0                   | 0                               | 0  |
| Interest Income                                      | 245                 | 0                               | 27                                       |
| Miscellaneous  | 24,601              | 0                               | 2,467                                    |
| Total Revenues                                       | <u>113,925</u>      | <u>1,750</u>                    | <u>25,494</u>                            |
| Expenditures   |                     |                                 |  |
| Current  |                     |                                 |  |
| General Government                                   | 0                   | 0                               | 0  |
| Public Safety  | 76,872              | 0                               | 19,475                                   |
| Public Works   | 0                   | 0                               | 0  |
| Culture & Recreation                                 | 0                   | 1,742                           | 0  |
| Health & Welfare                                     | 0                   | 0                               | 0  |
| Capital Outlay                                       | 0                   | 0                               | 4,911                                    |
| Debt Service   |                     |                                 |  |
| Principal  | 18,284              | 0                               | 0  |
| Interest   | 369                 | 0                               | 0  |
| Total Expenditures                                   | <u>95,525</u>       | <u>1,742</u>                    | <u>24,386</u>                            |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>18,400</u>       | <u>8</u>                        | <u>1,108</u>                             |
| Other Financing Sources (Uses)                       |                     |                                 |  |
| Transfers In/(Out)                                   | <u>0</u>            | <u>0</u>                        | <u>0</u>                                 |
| Total Other Financing Sources (Uses)                 | <u>0</u>            | <u>0</u>                        | <u>0</u>                                 |
| Net Changes in Fund Balance                          | 18,400              | 8                               | 1,108                                    |
| Fund Balances at Beginning of Year                   | <u>40,413</u>       | <u>0</u>                        | <u>1,677</u>                             |
| Fund Balance End of Year                             | <u>\$ 58,813</u>    | <u>\$ 8</u>                     | <u>\$ 2,785</u>                          |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2007

|  | Civil<br>Defense<br>Fund | Health<br>Grant<br>Fund | Homeland<br>Security<br>Fund |
|--|--------------------------|-------------------------|------------------------------|
| Revenues   |                          |                         |                              |
| Taxes:   |                          |                         |                              |
| Gross Receipts                                       | \$ 0                     | \$ 0                    | \$ 0                         |
| Intergovernmental:                                   |                          |                         |                              |
| Federal Grants                                       | 0                        | 0                       | 66,807                       |
| State Grants   | 0                        | 27,037                  | 0                            |
| Fines & Forfeitures                                  | 0                        | 0                       | 0                            |
| Fees   | 0                        | 0                       | 0                            |
| Interest Income                                      | 0                        | 0                       | 0                            |
| Miscellaneous  | 0                        | 0                       | 0                            |
| Total Revenues                                       | <u>0</u>                 | <u>27,037</u>           | <u>66,807</u>                |
| Expenditures   |                          |                         |                              |
| Current  |                          |                         |                              |
| General Government                                   | 0                        | 0                       | 0                            |
| Public Safety  | 4,198                    | 0                       | 3,800                        |
| Public Works   | 0                        | 0                       | 0                            |
| Culture & Recreation                                 | 0                        | 0                       | 0                            |
| Health & Welfare                                     | 0                        | 51,672                  | 0                            |
| Capital Outlay                                       | 0                        | 0                       | 62,608                       |
| Debt Service   |                          |                         |                              |
| Principal  | 0                        | 0                       | 0                            |
| Interest   | 0                        | 0                       | 0                            |
| Total Expenditures                                   | <u>4,198</u>             | <u>51,672</u>           | <u>66,408</u>                |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>(4,198)</u>           | <u>(24,635)</u>         | <u>399</u>                   |
| Other Financing Sources (Uses)                       |                          |                         |                              |
| Transfers In/(Out)                                   | <u>0</u>                 | <u>0</u>                | <u>0</u>                     |
| Total Other Financing Sources (Uses)                 | <u>0</u>                 | <u>0</u>                | <u>0</u>                     |
| Net Changes in Fund Balance                          | (4,198)                  | (24,635)                | 399                          |
| Fund Balances at Beginning of Year                   | <u>4,198</u>             | <u>49,916</u>           | <u>0</u>                     |
| Fund Balance End of Year                             | <u>\$ 0</u>              | <u>\$ 25,281</u>        | <u>\$ 399</u>                |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2007

|  | JAG<br>Fund  | Sheriffs<br>Forfeiture<br>Fund | Traffic<br>Safety<br>Fund |
|--|--------------|--------------------------------|---------------------------|
| Revenues   |              |                                |                           |
| Taxes:   |              |                                |                           |
| Gross Receipts                                       | \$ 0         | \$ 0                           | \$ 0                      |
| Intergovernmental:                                   |              |                                |                           |
| Federal Grants                                       | 4,850        | 0                              | 0                         |
| State Grants   | 0            | 0                              | 0                         |
| Fines & Forfeitures                                  | 0            | 1,132                          | 0                         |
| Fees   | 0            | 0                              | 0                         |
| Interest Income                                      | 0            | 4                              | 0                         |
| Miscellaneous  | 2,308        | 0                              | 0                         |
| Total Revenues                                       | <u>7,158</u> | <u>1,136</u>                   | <u>0</u>                  |
| Expenditures   |              |                                |                           |
| Current  |              |                                |                           |
| General Government                                   | 0            | 0                              | 0                         |
| Public Safety  | 7,158        | 1,538                          | 85                        |
| Public Works   | 0            | 0                              | 0                         |
| Culture & Recreation                                 | 0            | 0                              | 0                         |
| Health & Welfare                                     | 0            | 0                              | 0                         |
| Capital Outlay                                       | 0            | 0                              | 0                         |
| Debt Service   |              |                                |                           |
| Principal  | 0            | 0                              | 0                         |
| Interest   | 0            | 0                              | 0                         |
| Total Expenditures                                   | <u>7,158</u> | <u>1,538</u>                   | <u>85</u>                 |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>0</u>     | <u>(402)</u>                   | <u>(85)</u>               |
| Other Financing Sources (Uses)                       |              |                                |                           |
| Transfers In/(Out)                                   | 0            | 0                              | 0                         |
| Total Other Financing Sources (Uses)                 | <u>0</u>     | <u>0</u>                       | <u>0</u>                  |
| Net Changes in Fund Balance                          | 0            | (402)                          | (85)                      |
| Fund Balances at Beginning of Year                   | <u>0</u>     | <u>1,016</u>                   | <u>2,856</u>              |
| Fund Balance End of Year                             | <u>\$ 0</u>  | <u>\$ 614</u>                  | <u>\$ 2,771</u>           |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2007

|  | County<br>Indigent<br>Fund | Ambulance<br>Fund | Recording &<br>Equipment<br>Fund |
|--|----------------------------|-------------------|----------------------------------|
| Revenues   |                            |                   |                                  |
| Taxes:   |                            |                   |                                  |
| Gross Receipts                                       | \$ 30,462                  | \$ 24,270         | \$ 0                             |
| Intergovernmental:                                   |                            |                   |                                  |
| Federal Grants                                       | 0                          | 0                 | 0                                |
| State Grants   | 0                          | 0                 | 0                                |
| Fines & Forfeitures                                  | 0                          | 0                 | 0                                |
| Fees   | 0                          | 0                 | 2,839                            |
| Interest Income                                      | 86                         | 10                | 30                               |
| Miscellaneous  | 0                          | 0                 | 0                                |
| Total Revenues                                       | <u>30,548</u>              | <u>24,280</u>     | <u>2,869</u>                     |
| Expenditures   |                            |                   |                                  |
| Current  |                            |                   |                                  |
| General Government                                   | 0                          | 0                 | 2,943                            |
| Public Safety  | 0                          | 0                 | 0                                |
| Public Works   | 0                          | 0                 | 0                                |
| Culture & Recreation                                 | 0                          | 0                 | 0                                |
| Health & Welfare                                     | 12,840                     | 0                 | 0                                |
| Capital Outlay                                       | 0                          | 20,085            | 0                                |
| Debt Service   |                            |                   |                                  |
| Principal  | 0                          | 0                 | 0                                |
| Interest   | 0                          | 0                 | 0                                |
| Total Expenditures                                   | <u>12,840</u>              | <u>20,085</u>     | <u>2,943</u>                     |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>17,708</u>              | <u>4,195</u>      | <u>(74)</u>                      |
| Other Financing Sources (Uses)                       |                            |                   |                                  |
| Transfers In/(Out)                                   | <u>0</u>                   | <u>0</u>          | <u>0</u>                         |
| Total Other Financing Sources (Uses)                 | <u>0</u>                   | <u>0</u>          | <u>0</u>                         |
| Net Changes in Fund Balance                          | 17,708                     | 4,195             | (74)                             |
| Fund Balances at Beginning of Year                   | <u>25,556</u>              | <u>5,202</u>      | <u>8,042</u>                     |
| Fund Balance End of Year                             | <u>\$ 43,264</u>           | <u>\$ 9,397</u>   | <u>\$ 7,968</u>                  |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2007

|  | Flu<br>Pandemic<br>Fund | County<br>Reserve<br>Fund | DARE<br>Fund  |
|--|-------------------------|---------------------------|---------------|
| Revenues   |                         |                           |               |
| Taxes:   |                         |                           |               |
| Gross Receipts                                       | \$ 0                    | \$ 2,316                  | \$ 0          |
| Intergovernmental:                                   |                         |                           |               |
| Federal Grants                                       | 0                       | 0                         | 0             |
| State Grants   | 10,942                  | 3,249                     | 0             |
| Fines & Forfeitures                                  | 0                       | 0                         | 390           |
| Fees   | 0                       | 0                         | 0             |
| Interest Income                                      | 0                       | 145                       | 3             |
| Miscellaneous  | 0                       | 2,020                     | 0             |
| Total Revenues                                       | <u>10,942</u>           | <u>7,730</u>              | <u>393</u>    |
| Expenditures   |                         |                           |               |
| Current  |                         |                           |               |
| General Government                                   | 0                       | 19,682                    | 0             |
| Public Safety  | 0                       | 0                         | 518           |
| Public Works   | 0                       | 0                         | 0             |
| Culture & Recreation                                 | 0                       | 0                         | 0             |
| Health & Welfare                                     | 0                       | 0                         | 0             |
| Capital Outlay                                       | 0                       | 0                         | 0             |
| Debt Service   |                         |                           |               |
| Principal  | 0                       | 0                         | 0             |
| Interest   | 0                       | 0                         | 0             |
| Total Expenditures                                   | <u>0</u>                | <u>19,682</u>             | <u>518</u>    |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>10,942</u>           | <u>(11,952)</u>           | <u>(125)</u>  |
| Other Financing Sources (Uses)                       |                         |                           |               |
| Transfers In/(Out)                                   | <u>0</u>                | <u>0</u>                  | <u>0</u>      |
| Total Other Financing Sources (Uses)                 | <u>0</u>                | <u>0</u>                  | <u>0</u>      |
| Net Changes in Fund Balance                          | 10,942                  | (11,952)                  | (125)         |
| Fund Balances at Beginning of Year                   | <u>0</u>                | <u>40,846</u>             | <u>933</u>    |
| Fund Balance End of Year                             | <u>\$ 10,942</u>        | <u>\$ 28,894</u>          | <u>\$ 808</u> |

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2007

|  | Hospital<br>Fund  | Landfill Grant<br>Fund | Canteen<br>Fund |
|--|-------------------|------------------------|-----------------|
| Revenues   |                   |                        |                 |
| Taxes:   |                   |                        |                 |
| Gross Receipts                                       | \$ 0              | \$ 0                   | \$ 0            |
| Intergovernmental:                                   |                   |                        |                 |
| Federal Grants                                       | 0                 | 0                      | 0               |
| State Grants   | 0                 | 0                      | 0               |
| Fines & Forfeitures                                  | 0                 | 0                      | 0               |
| Fees   | 0                 | 0                      | 0               |
| Interest Income                                      | 1,313             | 0                      | 0               |
| Miscellaneous  | 0                 | 0                      | 887             |
| Total Revenues                                       | <u>1,313</u>      | <u>0</u>               | <u>887</u>      |
| Expenditures   |                   |                        |                 |
| Current  |                   |                        |                 |
| General Government                                   | 0                 | 0                      | 0               |
| Public Safety  | 0                 | 0                      | 558             |
| Public Works   | 0                 | 0                      | 0               |
| Culture & Recreation                                 | 0                 | 0                      | 0               |
| Health & Welfare                                     | 0                 | 0                      | 0               |
| Capital Outlay                                       | 0                 | 0                      | 0               |
| Debt Service   |                   |                        |                 |
| Principal  | 0                 | 0                      | 0               |
| Interest   | 0                 | 0                      | 0               |
| Total Expenditures                                   | <u>0</u>          | <u>0</u>               | <u>558</u>      |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>1,313</u>      | <u>0</u>               | <u>329</u>      |
| Other Financing Sources (Uses)                       |                   |                        |                 |
| Transfers In/(Out)                                   | 0                 | (8,797)                | 0               |
| Total Other Financing Sources (Uses)                 | <u>0</u>          | <u>(8,797)</u>         | <u>0</u>        |
| Net Changes in Fund Balance                          | 1,313             | (8,797)                | 329             |
| Fund Balances at Beginning of Year                   | <u>132,190</u>    | <u>8,797</u>           | <u>3,291</u>    |
| Fund Balance End of Year                             | <u>\$ 133,503</u> | <u>\$ 0</u>            | <u>\$ 3,620</u> |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended June 30, 2007

|  | <u>Capital Outlay</u><br><u>Court House</u><br><u>Grant</u><br><u>Fund</u> | <u>Total</u>      |
|--|--|-------------------|
| Revenues   |  |                   |
| Taxes:   |  |                   |
| Gross Receipts                                       | \$ 0   | \$ 69,183         |
| Intergovernmental:                                   |  |                   |
| Federal Grants                                       | 0  | 79,943            |
| State Grants   | 5,563  | 220,531           |
| Fines & Forfeitures                                  | 0  | 1,522             |
| Fees   | 0  | 16,655            |
| Interest Income                                      | 0  | 2,221             |
| Miscellaneous  | 0  | 36,473            |
| Total Revenues                                       | <u>5,563</u>   | <u>426,528</u>    |
| Expenditures   |  |                   |
| Current  |  |                   |
| General Government                                   | 0  | 34,495            |
| Public Safety  | 0  | 135,933           |
| Public Works   | 0  | 0                 |
| Culture & Recreation                                 | 0  | 1,742             |
| Health & Welfare                                     | 0  | 94,512            |
| Capital Outlay                                       | 5,563  | 121,295           |
| Debt Service   |  |                   |
| Principal  | 0  | 28,284            |
| Interest   | 0  | 5,512             |
| Total Expenditures                                   | <u>5,563</u>   | <u>421,773</u>    |
| Excess (Deficiency) of Revenues<br>Over Expenditures | <u>0</u>   | <u>4,755</u>      |
| Other Financing Sources (Uses)                       |  |                   |
| Transfers In/(Out)                                   | 0  | 19,451            |
| Total Other Financing Sources (Uses)                 | <u>0</u>   | <u>19,451</u>     |
| Net Changes in Fund Balance                          | 0  | 24,206            |
| Fund Balances at Beginning of Year                   | <u>0</u>   | <u>430,571</u>    |
| Fund Balance End of Year                             | <u>\$ 0</u>  | <u>\$ 454,777</u> |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-COUNTY ENVIRONMENTAL FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>  |                  |                  |                                |   |
| Taxes  | \$ 7,500         | \$ 7,500         | \$ 11,162                      | \$ 3,662  |
| Interest Income  | 0                | 0                | 59                             | 59  |
| Total Revenues   | <u>7,500</u>     | <u>7,500</u>     | <u>11,221</u>                  | <u>3,721</u>                                      |
| <b>Expenditures</b>  |                  |                  |                                |   |
| <b>Public Works</b>  |                  |                  |                                |   |
| Operating Expenses   | 0                | 0                | 0                              | 0   |
| Total Expenditures   | <u>0</u>         | <u>0</u>         | <u>0</u>                       | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 7,500            | 7,500            | 11,221                         | 3,721   |
| <b>Other Financing Sources (Uses)</b>                        |                  |                  |                                |   |
| Transfer from Landfill Grant                                 | 0                | 0                | 8,797                          | 8,797   |
| Total Other Sources (Uses)                                   | <u>0</u>         | <u>0</u>         | <u>8,797</u>                   | <u>8,797</u>                                      |
| Net Change in Fund Balance                                   | 7,500            | 7,500            | 20,018                         | 12,518  |
| Cash Balance Beginning of Year                               | <u>36,430</u>    | <u>36,430</u>    | <u>36,430</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>43,930</u> | \$ <u>43,930</u> | \$ <u>56,448</u>               | \$ <u>12,518</u>                                  |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ 11,221                      |   |
| Net Change in Taxes Receivable                               |                  |                  | 973                            |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                  | <u>\$ 12,194</u>               |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-REAPPRAISAL FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                 | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
|  | Original         | Final           |                                |   |
| <b>Revenues</b>  |                  |                 |                                |   |
| Fees   | \$ 9,500         | \$ 9,500        | \$ 13,816                      | \$ 4,316  |
| Miscellaneous  | 0                | 0               | 2,610                          | 2,610   |
| Total Revenues   | <u>9,500</u>     | <u>9,500</u>    | <u>16,426</u>                  | <u>6,926</u>                                      |
| <b>Expenditures</b>  |                  |                 |                                |   |
| General Government   |                  |                 |                                |   |
| Personnel Services   | 8,112            | 8,112           | 8,112                          | 0   |
| Employee Benefits  | 3,997            | 3,997           | 1,388                          | 2,609   |
| Operating Expenses   | <u>4,788</u>     | <u>4,788</u>    | <u>2,371</u>                   | <u>2,417</u>                                      |
| Total Expenditures   | <u>16,897</u>    | <u>16,897</u>   | <u>11,871</u>                  | <u>5,026</u>                                      |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (7,397)          | (7,397)         | 4,555                          | 11,952  |
| Cash Balance Beginning of Year                               | <u>9,349</u>     | <u>9,349</u>    | <u>9,349</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 1,952</u>  | <u>\$ 1,952</u> | <u>\$ 13,904</u>               | <u>\$ 11,952</u>                                  |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |                 |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                 | <u>\$ 4,555</u>                |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                 | <u>\$ 4,555</u>                |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND- LAKE SUMNER EMS FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>  |                  |                  |                                |   |
| State Grant  | \$ 3,024         | \$ 3,024         | \$ 3,024                       | \$ 0  |
| Interest Income  | 0                | 0                | 52                             | 52  |
| Total Revenues   | <u>3,024</u>     | <u>3,024</u>     | <u>3,076</u>                   | <u>52</u>   |
| <b>Expenditures</b>  |                  |                  |                                |   |
| <b>Public Safety</b>   |                  |                  |                                |   |
| Operating Expenses   | <u>3,097</u>     | <u>3,097</u>     | <u>1,186</u>                   | <u>1,911</u>                                      |
| Total Expenditures   | <u>3,097</u>     | <u>3,097</u>     | <u>1,186</u>                   | <u>1,911</u>                                      |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (73)             | (73)             | 1,890                          | 1,963   |
| Cash Balance Beginning of Year                               | <u>13,903</u>    | <u>13,903</u>    | <u>13,903</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>13,830</u> | \$ <u>13,830</u> | \$ <u>15,793</u>               | \$ <u>1,963</u>                                   |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ <u>1,890</u>                |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                  | \$ <u>1,890</u>                |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-ENHANCED 911 GRANT FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|---------------|--------------------------------|---|
|  | Original         | Final         |                                |   |
| Revenues   |                  |               |                                |   |
| Interest Income  | \$ 0             | \$ 0          | \$ 0                           | \$ 0  |
| Total Revenues   | <u>0</u>         | <u>0</u>      | <u>0</u>                       | <u>0</u>  |
| Expenditures   |                  |               |                                |   |
| Public Safety  |                  |               |                                |   |
| Operating Expenses   | 0                | 0             | 0                              | 0   |
| Total Expenditures   | <u>0</u>         | <u>0</u>      | <u>0</u>                       | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                | 0             | 0                              | 0   |
| Cash Balance Beginning of Year                               | <u>783</u>       | <u>783</u>    | <u>783</u>                     | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>783</u>    | \$ <u>783</u> | \$ <u>783</u>                  | \$ <u>0</u>                                       |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |               |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |               | \$ 0                           |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |               | \$ <u>0</u>                    |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-FARM & RANGE FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|---------------|--------------------------------|---|
|  | Original         | Final         |                                |   |
| <b>Revenues</b>  |                  |               |                                |   |
| Federal Grants   | \$ 7,000         | \$ 7,000      | \$ 7,047                       | \$ 47   |
| Interest Income  | 0                | 0             | 45                             | 45  |
| Total Revenues   | <u>7,000</u>     | <u>7,000</u>  | <u>7,092</u>                   | <u>92</u>   |
| <b>Expenditures</b>  |                  |               |                                |   |
| Health & Welfare   |                  |               |                                |   |
| Operating Expenses   | <u>30,000</u>    | <u>30,000</u> | <u>30,000</u>                  | <u>0</u>  |
| Total Expenditures   | <u>30,000</u>    | <u>30,000</u> | <u>30,000</u>                  | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (23,000)         | (23,000)      | (22,908)                       | 92  |
| <b>Other Financing Sources (Uses)</b>                        |                  |               |                                |   |
| Transfer from General Fund                                   | <u>20,782</u>    | <u>20,782</u> | <u>19,451</u>                  | <u>(1,331)</u>                                    |
| Total Other Sources (Uses)                                   | <u>20,782</u>    | <u>20,782</u> | <u>19,451</u>                  | <u>(1,331)</u>                                    |
| Net Change in Fund Balance                                   | (2,218)          | (2,218)       | (3,457)                        | (1,239)   |
| Cash Balance Beginning of Year                               | <u>2,218</u>     | <u>2,218</u>  | <u>2,218</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>0</u>      | \$ <u>0</u>   | \$ <u>(1,239)</u>              | \$ <u>(1,239)</u>                                 |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |               |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |               | \$ (22,908)                    |   |
| Net Change in Due from Grantor                               |                  |               | <u>1,239</u>                   |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |               | \$ <u>(21,669)</u>             |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-LAKE SUMNER FIRE FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>  |                  |                  |                                |   |
| State Grants   | \$ 56,887        | \$ 56,887        | \$ 56,887                      | \$ 0  |
| Interest Income  | 0                | 0                | 202                            | 202   |
| Miscellaneous  | 0                | 0                | 1,581                          | 1,581   |
| Total Revenues   | <u>56,887</u>    | <u>56,887</u>    | <u>58,670</u>                  | <u>1,783</u>                                      |
| <b>Expenditures</b>  |                  |                  |                                |   |
| <b>Public Safety</b>   |                  |                  |                                |   |
| Operating Expenses   | 36,950           | 36,950           | 20,515                         | 16,435  |
| <b>Debt Services</b>   |                  |                  |                                |   |
| Principal  | 10,000           | 10,000           | 10,000                         | 0   |
| Interest   | 5,173            | 5,173            | 5,173                          | 0   |
| Capital Outlay   | 8,395            | 8,395            | 28,128                         | (19,733)  |
| Total Expenditures   | <u>23,568</u>    | <u>23,568</u>    | <u>63,816</u>                  | <u>(19,733)</u>                                   |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 33,319           | 33,319           | (5,146)                        | (38,465)  |
| Cash Balance Beginning of Year                               | <u>42,301</u>    | <u>42,301</u>    | <u>42,301</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>75,620</u> | \$ <u>75,620</u> | \$ <u>37,155</u>               | \$ <u>(38,465)</u>                                |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ <u>(5,146)</u>              |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                  | \$ <u>(5,146)</u>              |   |

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-VALLEY FIRE FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>  |                  |                  |                                |   |
| State Grants   | \$ 70,426        | \$ 70,426        | \$ 89,079                      | \$ 18,653   |
| Interest Income  | 0                | 0                | 245                            | 245   |
| Miscellaneous  | 0                | 0                | 24,601                         | 24,601  |
| <b>Total Revenues</b>  | <u>70,426</u>    | <u>70,426</u>    | <u>113,925</u>                 | <u>43,499</u>                                     |
| <b>Expenditures</b>  |                  |                  |                                |   |
| Public Safety  |                  |                  |                                |   |
| Operating Expenses   | 71,110           | 71,110           | 76,872                         | (5,762)   |
| Debt Services  |                  |                  |                                |   |
| Principal  | 18,284           | 18,284           | 18,284                         | 0   |
| Interest   | 369              | 369              | 369                            | 0   |
| <b>Total Expenditures</b>                                    | <u>89,763</u>    | <u>89,763</u>    | <u>95,525</u>                  | <u>(5,762)</u>                                    |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (19,337)         | (19,337)         | 18,400                         | 37,737  |
| Cash Balance Beginning of Year                               | <u>40,413</u>    | <u>40,413</u>    | <u>40,413</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 21,076</u> | <u>\$ 21,076</u> | <u>\$ 58,813</u>               | <u>\$ 37,737</u>                                  |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ 18,400                      |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                  | <u>\$ 18,400</u>               |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-BEAUTIFICATION GRANT FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |              | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|--------------|--------------------------------|---|
|  | Original         | Final        |                                |   |
| <b>Revenues</b>  |                  |              |                                |   |
| State Grants   | \$ 0             | \$ 1,750     | \$ 1,750                       | \$ 0  |
| Total Revenues   | <u>0</u>         | <u>1,750</u> | <u>1,750</u>                   | <u>0</u>  |
| <b>Expenditures</b>  |                  |              |                                |   |
| Culture & Recreation   |                  |              |                                |   |
| Operating Expenses   | 0                | 1,750        | 1,742                          | 8   |
| Total Expenditures   | <u>0</u>         | <u>1,750</u> | <u>1,742</u>                   | <u>8</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                | 0            | 8                              | 8   |
| Cash Balance Beginning of Year                               | <u>0</u>         | <u>0</u>     | <u>0</u>                       | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>0</u>      | \$ <u>0</u>  | \$ <u>8</u>                    | \$ <u>8</u>                                       |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |              |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |              | \$ <u>8</u>                    |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |              | \$ <u>8</u>                    |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-LAW ENFORCEMENT PROTECTION FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|---------------|--------------------------------|---|
|  | Original         | Final         |                                |   |
| <b>Revenues</b>  |                  |               |                                |   |
| State Grants   | \$ 23,000        | \$ 23,000     | \$ 23,000                      | \$ 0  |
| Interest Income  | 0                | 0             | 27                             | 27  |
| Miscellaneous  | 0                | 0             | 2,467                          | 2,467   |
| Total Revenues   | <u>23,000</u>    | <u>23,000</u> | <u>25,494</u>                  | <u>2,494</u>                                      |
| <b>Expenditures</b>  |                  |               |                                |   |
| Public Safety  |                  |               |                                |   |
| Operating Expenses   | 6,677            | 6,677         | 19,475                         | (12,798)  |
| Capital Outlay   | 18,000           | 18,000        | 4,911                          | 13,089  |
| Total Expenditures   | <u>24,677</u>    | <u>24,677</u> | <u>24,386</u>                  | <u>291</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (1,677)          | (1,677)       | 1,108                          | 2,785   |
| Cash Balance Beginning of Year                               | <u>1,677</u>     | <u>1,677</u>  | <u>1,677</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>0</u>      | \$ <u>0</u>   | \$ <u>2,785</u>                | \$ <u>2,785</u>                                   |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |               |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |               | \$ <u>1,108</u>                |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |               | \$ <u>1,108</u>                |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-CIVIL DEFENSE FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |              | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|--------------|--------------------------------|---|
|  | Original         | Final        |                                |   |
| Revenues   |                  |              |                                |   |
| State Grants   | \$ 0             | \$ 0         | \$ 0                           | \$ 0  |
| Total Revenues   | <u>0</u>         | <u>0</u>     | <u>0</u>                       | <u>0</u>  |
| Expenditures   |                  |              |                                |   |
| Public Safety  |                  |              |                                |   |
| Operating Expenses   | 4,198            | 4,198        | 4,198                          | 0   |
| Total Expenditures   | <u>4,198</u>     | <u>4,198</u> | <u>4,198</u>                   | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (4,198)          | (4,198)      | (4,198)                        | 0   |
| Cash Balance Beginning of Year                               | <u>4,198</u>     | <u>4,198</u> | <u>4,198</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>0</u>      | \$ <u>0</u>  | \$ <u>0</u>                    | \$ <u>0</u>                                       |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |              |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |              | \$ (4,198)                     |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |              | \$ <u>(4,198)</u>              |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-HEALTH GRANT FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                 | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
|  | Original         | Final           |                                |   |
| <b>Revenues</b>  |                  |                 |                                |   |
| State Grants   | \$ 52,070        | \$ 52,070       | \$ 27,037                      | \$ (25,033)                                       |
| Total Revenues   | <u>52,070</u>    | <u>52,070</u>   | <u>27,037</u>                  | <u>(25,033)</u>                                   |
| <b>Expenditures</b>  |                  |                 |                                |   |
| Health & Welfare   |                  |                 |                                |   |
| Personnel Services   | 0                | 0               | 30,000                         | (30,000)  |
| Employee Benefits  | 0                | 0               | 2,329                          | (2,329)   |
| Operating Expenses   | <u>92,314</u>    | <u>92,314</u>   | <u>19,343</u>                  | <u>72,971</u>                                     |
| Total Expenditures   | <u>92,314</u>    | <u>92,314</u>   | <u>51,672</u>                  | <u>40,642</u>                                     |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (40,244)         | (40,244)        | (24,635)                       | 15,609  |
| Cash Balance Beginning of Year                               | <u>49,916</u>    | <u>49,916</u>   | <u>49,916</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 9,672</u>  | <u>\$ 9,672</u> | <u>\$ 25,281</u>               | <u>\$ 15,609</u>                                  |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                 |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                 | <u>\$ (24,635)</u>             |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                 | <u>\$ (24,635)</u>             |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-HOMELAND SECURITY FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|---------------|--------------------------------|---|
|  | Original         | Final         |                                |   |
| <b>Revenues</b>  |                  |               |                                |   |
| Federal Grants   | \$ 0             | \$ 66,807     | \$ 66,807                      | \$ 0  |
| Total Revenues   | <u>0</u>         | <u>66,807</u> | <u>66,807</u>                  | <u>0</u>  |
| <b>Expenditures</b>  |                  |               |                                |   |
| Public Safety  |                  |               |                                |   |
| Operating Expenses   | 0                | 3,801         | 3,801                          | 0   |
| Capital Outlay   | <u>0</u>         | <u>63,006</u> | <u>62,607</u>                  | <u>399</u>  |
| Total Expenditures   | <u>0</u>         | <u>66,807</u> | <u>66,408</u>                  | <u>399</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                | 0             | 399                            | 399   |
| Cash Balance Beginning of Year                               | <u>0</u>         | <u>0</u>      | <u>0</u>                       | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 0</u>      | <u>\$ 0</u>   | <u>\$ 399</u>                  | <u>\$ 399</u>                                     |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |               |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |               | <u>\$ 399</u>                  |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |               | <u>\$ 399</u>                  |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-JAG FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|---------------|--------------------------------|---|
|  | Original         | Final         |                                |   |
| <b>Revenues</b>  |                  |               |                                |   |
| Federal Grants   | \$ 400           | \$ 400        | \$ 400                         | \$ 0  |
| Miscellaneous  | 0                | 0             | 2,308                          | 2,308   |
| Total Revenues   | <u>400</u>       | <u>400</u>    | <u>2,708</u>                   | <u>2,308</u>                                      |
| <b>Expenditures</b>  |                  |               |                                |   |
| <b>Public Safety</b>   |                  |               |                                |   |
| Personnel Services   | 7,020            | 7,020         | 5,588                          | 1,432   |
| Employee Benefits  | 539              | 539           | 427                            | 112   |
| Operating Expenses   | 0                | 0             | 1,143                          | (1,143)   |
| Total Expenditures   | <u>7,559</u>     | <u>7,559</u>  | <u>7,158</u>                   | <u>401</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (7,159)          | (7,159)       | (4,450)                        | 2,709   |
| Cash Balance Beginning of Year                               | <u>7,343</u>     | <u>7,343</u>  | <u>7,343</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>184</u>    | \$ <u>184</u> | \$ <u>2,893</u>                | \$ <u>2,709</u>                                   |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |               |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |               | \$ (4,450)                     |   |
| Net Change in Deferred Revenue                               |                  |               | <u>4,450</u>                   |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |               | <u>0</u>                       |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-SHERIFFS FORFEITURE FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|---------------|--------------------------------|---|
|  | Original         | Final         |                                |   |
| <b>Revenues</b>  |                  |               |                                |   |
| Fines & Forfeitures  | \$ 1,000         | \$ 1,000      | \$ 1,132                       | \$ 132  |
| Interest Income  | <u>0</u>         | <u>0</u>      | <u>5</u>                       | <u>5</u>  |
| Total Revenues   | <u>1,000</u>     | <u>1,000</u>  | <u>1,137</u>                   | <u>137</u>  |
| <b>Expenditures</b>  |                  |               |                                |   |
| <b>Public Safety</b>   |                  |               |                                |   |
| Operating Expenses   | <u>1,513</u>     | <u>1,540</u>  | <u>1,539</u>                   | <u>1</u>  |
| Total Expenditures   | <u>1,513</u>     | <u>1,540</u>  | <u>1,539</u>                   | <u>1</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (513)            | (540)         | (402)                          | 138   |
| Cash Balance Beginning of Year                               | <u>1,016</u>     | <u>1,016</u>  | <u>1,016</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>503</u>    | \$ <u>476</u> | \$ <u>614</u>                  | \$ <u>138</u>                                     |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |               |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |               | \$ <u>(402)</u>                |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |               | \$ <u>(402)</u>                |   |

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-TRAFFIC SAFETY FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |              | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|--------------|--------------------------------|---|
|  | Original         | Final        |                                |   |
| Revenues   |                  |              |                                |   |
| Fines & Forfeitures  | \$ 0             | \$ 0         | \$ 0                           | \$ 0  |
| Total Revenues   | <u>0</u>         | <u>0</u>     | <u>0</u>                       | <u>0</u>  |
| Expenditures   |                  |              |                                |   |
| Public Safety  |                  |              |                                |   |
| Operating Expenses   | 2,856            | 2,856        | 85                             | 2,771   |
| Total Expenditures   | <u>2,856</u>     | <u>2,856</u> | <u>85</u>                      | <u>2,771</u>                                      |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (2,856)          | (2,856)      | (85)                           | 2,771   |
| Cash Balance Beginning of Year                               | <u>2,856</u>     | <u>2,856</u> | <u>2,856</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>0</u>      | \$ <u>0</u>  | \$ <u>2,771</u>                | \$ <u>2,771</u>                                   |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |              |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |              | \$ (85)                        |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |              | \$ <u>(85)</u>                 |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-COUNTY INDIGENT FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                  | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|------------------|--------------------------------|---|
|  | Original         | Final            |                                |   |
| <b>Revenues</b>  |                  |                  |                                |   |
| Gross Receipts Tax   | \$ 30,000        | \$ 30,000        | \$ 29,705                      | \$ (295)  |
| Interest Income  | 0                | 0                | 86                             | 86  |
| Total Revenues   | <u>30,000</u>    | <u>30,000</u>    | <u>29,791</u>                  | <u>(209)</u>                                      |
| <b>Expenditures</b>  |                  |                  |                                |   |
| Health & Welfare   |                  |                  |                                |   |
| Operating Expenses   | <u>19,000</u>    | <u>19,000</u>    | <u>12,840</u>                  | <u>6,160</u>                                      |
| Total Expenditures   | <u>19,000</u>    | <u>19,000</u>    | <u>12,840</u>                  | <u>6,160</u>                                      |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 11,000           | 11,000           | 16,951                         | 5,951   |
| Cash Balance Beginning of Year                               | <u>23,372</u>    | <u>23,372</u>    | <u>23,372</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 34,372</u> | <u>\$ 34,372</u> | <u>\$ 40,323</u>               | <u>\$ 5,951</u>                                   |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                  |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                  | \$ 16,951                      |   |
| Net Change in Taxes Receivable                               |                  |                  | <u>757</u>                     |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                  | <u>\$ 17,708</u>               |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-AMBULANCE FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                 | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
|  | Original         | Final           |                                |   |
| <b>Revenues</b>  |                  |                 |                                |   |
| Gross Receipts Tax   | \$ 20,000        | \$ 20,000       | \$ 22,323                      | \$ 2,323  |
| Interest Income  | 0                | 0               | 10                             | 10  |
| Total Revenues   | <u>20,000</u>    | <u>20,000</u>   | <u>22,333</u>                  | <u>2,333</u>                                      |
| <b>Expenditures</b>  |                  |                 |                                |   |
| Health & Welfare   |                  |                 |                                |   |
| Capital Outlay   | <u>15,000</u>    | <u>20,500</u>   | <u>20,085</u>                  | <u>415</u>  |
| Total Expenditures   | <u>15,000</u>    | <u>20,500</u>   | <u>20,085</u>                  | <u>415</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 5,000            | (500)           | 2,248                          | 2,748   |
| Cash Balance Beginning of Year                               | <u>3,894</u>     | <u>3,894</u>    | <u>3,894</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 8,894</u>  | <u>\$ 3,394</u> | <u>\$ 6,142</u>                | <u>\$ 2,748</u>                                   |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                 |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                 | \$ 2,248                       |   |
| Net Change in Taxes Receivable                               |                  |                 | <u>1,947</u>                   |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                 | <u>\$ 4,195</u>                |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-RECORDING & EQUIPMENT FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                 | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
|  | Original         | Final           |                                |   |
| <b>Revenues</b>  |                  |                 |                                |   |
| Fees   | \$ 3,000         | \$ 3,000        | \$ 2,839                       | \$ (161)  |
| Interest Income  | <u>0</u>         | <u>0</u>        | <u>30</u>                      | <u>(30)</u>                                       |
| Total Revenues   | <u>3,000</u>     | <u>3,000</u>    | <u>2,869</u>                   | <u>(191)</u>                                      |
| <b>Expenditures</b>  |                  |                 |                                |   |
| General Government   |                  |                 |                                |   |
| Operating Expenses   | <u>3,000</u>     | <u>3,000</u>    | <u>2,943</u>                   | <u>57</u>   |
| Total Expenditures   | <u>3,000</u>     | <u>3,000</u>    | <u>2,943</u>                   | <u>57</u>   |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                | 0               | (74)                           | (74)  |
| Cash Balance Beginning of Year                               | <u>8,042</u>     | <u>8,042</u>    | <u>8,042</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>8,042</u>  | \$ <u>8,042</u> | \$ <u>7,968</u>                | \$ <u>(74)</u>                                    |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                 |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                 | \$ <u>(74)</u>                 |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                 | \$ <u>(74)</u>                 |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-FLU PANDEMIC FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |               | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|---------------|--------------------------------|---|
|  | Original         | Final         |                                |   |
| <b>Revenues</b>  |                  |               |                                |   |
| State Grants   | \$ 0             | \$ 10,942     | \$ 10,942                      | \$ 0  |
| Total Revenues   | <u>0</u>         | <u>10,942</u> | <u>10,942</u>                  | <u>0</u>  |
| <b>Expenditures</b>  |                  |               |                                |   |
| Health & Welfare   |                  |               |                                |   |
| Operating Expenses   | 0                | 10,942        | 0                              | 10,942  |
| Total Expenditures   | <u>0</u>         | <u>10,942</u> | <u>0</u>                       | <u>10,942</u>                                     |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                | 0             | 10,942                         | 10,942  |
| Cash Balance Beginning of Year                               | <u>0</u>         | <u>0</u>      | <u>0</u>                       | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>0</u>      | \$ <u>0</u>   | \$ <u>10,942</u>               | \$ <u>10,942</u>                                  |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |               |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |               | \$ <u>10,942</u>               |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |               | \$ <u>10,942</u>               |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-COUNTY RESERVE FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                 | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
|  | Original         | Final           |                                |   |
| <b>Revenues</b>  |                  |                 |                                |   |
| Gross Receipts Tax   | \$ 3,000         | \$ 3,000        | \$ 3,249                       | \$ (249)  |
| State Grants   | 2,000            | 2,000           | 2,127                          | 127   |
| Interest Income  | 0                | 0               | 145                            | (145)   |
| Miscellaneous  | 0                | 0               | 2,020                          | (2,020)   |
| Total Revenues   | <u>5,000</u>     | <u>5,000</u>    | <u>7,541</u>                   | <u>(2,287)</u>                                    |
| <b>Expenditures</b>  |                  |                 |                                |   |
| General  |                  |                 |                                |   |
| Operating Expenses   | <u>41,400</u>    | <u>41,400</u>   | <u>19,682</u>                  | <u>21,718</u>                                     |
| Total Expenditures   | <u>41,400</u>    | <u>41,400</u>   | <u>19,682</u>                  | <u>21,718</u>                                     |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (36,400)         | (36,400)        | (12,141)                       | 24,259  |
| Cash Balance Beginning of Year                               | <u>40,748</u>    | <u>40,748</u>   | <u>40,748</u>                  | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 4,348</u>  | <u>\$ 4,348</u> | <u>\$ 28,607</u>               | <u>\$ 24,259</u>                                  |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |                 |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                 | \$ (12,141)                    |   |
| Net Change in Taxes Receivable                               |                  |                 | 189                            |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                 | <u>\$ (11,952)</u>             |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-DARE FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |             | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|-------------|--------------------------------|---|
|  | Original         | Final       |                                |   |
| <b>Revenues</b>  |                  |             |                                |   |
| Fines  | \$ 0             | \$ 0        | \$ 390                         | \$ 390  |
| Interest Income  | 0                | 0           | 3                              | (3)   |
| Total Revenues   | <u>0</u>         | <u>0</u>    | <u>393</u>                     | <u>387</u>  |
| <b>Expenditures</b>  |                  |             |                                |   |
| Public Safety  |                  |             |                                |   |
| Operating Expenses   | 933              | 933         | 518                            | 415   |
| Total Expenditures   | <u>933</u>       | <u>933</u>  | <u>518</u>                     | <u>415</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (933)            | (933)       | (125)                          | 808   |
| Cash Balance Beginning of Year                               | <u>933</u>       | <u>933</u>  | <u>933</u>                     | <u>0</u>  |
| Cash Balance End of Year                                     | <u>\$ 0</u>      | <u>\$ 0</u> | <u>\$ 808</u>                  | <u>\$ 808</u>                                     |
| <b>Reconciliation of Budgetary Basis to GAAP Basis</b>       |                  |             |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |             | <u>\$ (125)</u>                |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |             | <u>\$ (125)</u>                |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-HOSPITAL FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts  |                   | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|-------------------|-------------------|--------------------------------|---|
|  | Original          | Final             |                                |   |
| Revenues   |                   |                   |                                |   |
| Interest Income  | \$ 0              | \$ 0              | \$ 1,313                       | \$ 1,313  |
| Total Revenues   | <u>0</u>          | <u>0</u>          | <u>1,313</u>                   | <u>1,313</u>                                      |
| Expenditures   |                   |                   |                                |   |
| Health & Welfare   |                   |                   |                                |   |
| Operating Expenses   | 0                 | 0                 | 0                              | 0   |
| Total Expenditures   | <u>0</u>          | <u>0</u>          | <u>0</u>                       | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                 | 0                 | 1,313                          | 1,313   |
| Cash Balance Beginning of Year                               | <u>132,190</u>    | <u>132,190</u>    | <u>132,190</u>                 | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>132,190</u> | \$ <u>132,190</u> | \$ <u>133,503</u>              | \$ <u>1,313</u>                                   |
| Reconciliation of Budgetary Basis to GAAP Basis              |                   |                   |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                   |                   | \$ <u>1,313</u>                |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                   |                   | \$ <u>1,313</u>                |   |

The notes to the financial statements are an integral part of this statement.



STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-LANDFILL GRANT FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts       |                        | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------------|------------------------|--------------------------------|---|
|  | Original               | Final                  |                                |   |
| Revenues   |                        |                        |                                |   |
| Interest Income  | \$ 0                   | \$ 0                   | \$ 0                           | \$ 0  |
| Total Revenues   | <u>0</u>               | <u>0</u>               | <u>0</u>                       | <u>0</u>  |
| Expenditures   |                        |                        |                                |   |
| Public Works   |                        |                        |                                |   |
| Operating Expenses   | 0                      | 0                      | 0                              | 0   |
| Total Expenditures   | <u>0</u>               | <u>0</u>               | <u>0</u>                       | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                      | 0                      | 0                              | 0   |
| Other Financing Sources (Uses)                               |                        |                        |                                |   |
| Transfer to County Environmental                             | 0                      | (8,797)                | (8,797)                        | 0   |
| Total Other Sources (Uses)                                   | <u>0</u>               | <u>(8,797)</u>         | <u>(8,797)</u>                 | <u>0</u>  |
| Net Change in Fund Balance                                   | 0                      | (8,797)                | (8,797)                        | 0   |
| Cash Balance Beginning of Year                               | <u>8,797</u>           | <u>8,797</u>           | <u>8,797</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u><u>8,797</u></u> | \$ <u><u>8,797</u></u> | \$ <u><u>0</u></u>             | \$ <u><u>0</u></u>                                |
| Reconciliation of Budgetary Basis to GAAP Basis              |                        |                        |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                        |                        | \$ <u>0</u>                    |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                        |                        | \$ <u><u>0</u></u>             |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
SPECIAL REVENUE FUND-CANTEEN FUND  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2007

|  | Budgeted Amounts |                 | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|-----------------|--------------------------------|---|
|  | Original         | Final           |                                |   |
| Revenues   |                  |                 |                                |   |
| Miscellaneous  | \$ 0             | \$ 0            | \$ 887                         | \$ 887  |
| Total Revenues   | <u>0</u>         | <u>0</u>        | <u>887</u>                     | <u>887</u>  |
| Expenditures   |                  |                 |                                |   |
| Public Safety  |                  |                 |                                |   |
| Operating Expenses   | 800              | 800             | 558                            | 242   |
| Total Expenditures   | <u>800</u>       | <u>800</u>      | <u>558</u>                     | <u>242</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | (800)            | (800)           | 329                            | 1,129   |
| Cash Balance Beginning of Year                               | <u>3,291</u>     | <u>3,291</u>    | <u>3,291</u>                   | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>2,491</u>  | \$ <u>2,491</u> | \$ <u>3,620</u>                | \$ <u>1,129</u>                                   |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |                 |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |                 | \$ <u>329</u>                  |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |                 | \$ <u>329</u>                  |   |

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
 CAPITAL OUTLAY-COURT HOUSE GRANT  
 Statement of Revenues, Expenditures, and Changes in Cash Balance -  
 Budget and Actual (Budgetary Basis)  
 For the Year Ended June 30, 2007

|  | Budgeted Amounts |              | Actual<br>(Budgetary<br>Basis) | Variance<br>with Final<br>Budget-<br>Over (Under) |
|--|------------------|--------------|--------------------------------|---|
|  | Original         | Final        |                                |   |
| Revenues   |                  |              |                                |   |
| State Grant  | \$ 5,563         | \$ 5,563     | \$ 5,563                       | \$ 0  |
| Total Revenues   | <u>5,563</u>     | <u>5,563</u> | <u>5,563</u>                   | <u>0</u>  |
| Expenditures   |                  |              |                                |   |
| Public Works   |                  |              |                                |   |
| Capital Outlay   | 5,563            | 5,563        | 5,563                          | 0   |
| Total Expenditures   | <u>5,563</u>     | <u>5,563</u> | <u>5,563</u>                   | <u>0</u>  |
| Excess (Deficiency) of Revenues<br>Over Expenditures         | 0                | 0            | 0                              | 0   |
| Cash Balance Beginning of Year                               | <u>0</u>         | <u>0</u>     | <u>0</u>                       | <u>0</u>  |
| Cash Balance End of Year                                     | \$ <u>0</u>      | \$ <u>0</u>  | \$ <u>0</u>                    | \$ <u>0</u>                                       |
| Reconciliation of Budgetary Basis to GAAP Basis              |                  |              |                                |   |
| Excess (Deficiency) of Revenues Over Expenditures-Cash Basis |                  |              | \$ <u>0</u>                    |   |
| Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis |                  |              | \$ <u>0</u>                    |   |

The notes to the financial statements are an integral part of this statement.

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*

Mr. Hector H. Balderas  
State Auditor of the State of New Mexico  
Commissioners of DE BACA COUNTY

Mr. Balderas and Commissioners

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the respective budgetary comparisons, and the aggregate remaining fund information of DE BACA COUNTY (County), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated August 4, 2009. We also have audited the financial statements of each of the County's non-major governmental funds and all the budget comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, as listed in the table of contents. Our audit was modified to include a reference to other auditors. 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.

Other auditors audited the financial statements of the component unit-proprietary fund, as described in our report on the County's financial statements. This report does not include the results of other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

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 the audit procedures for the purpose of expressing 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 on the effectiveness of the County's internal control over financial reporting.

Our consideration of 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, a combination of control deficiencies, that adversely affects the County'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 County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency 07-01 described in the accompanying schedule of findings and recommendations to be significant deficiencies in internal control over financial reporting.

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 County'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 the significant deficiency described above is not a material weakness.

#### 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 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 the audit, and that, 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 recommendations as item 03-01, 04-01, 04-13, 04-17, 04-18, 04-19 and 05-01.

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. 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 management, the New Mexico State Legislature and its committees, the Office of the State Auditor, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified

*De'Ann Willoughby, CPA PC*

August 4, 2009

STATE OF NEW MEXICO  
**DE BACA COUNTY**  
 Schedule of Findings and Recommendations  
 For the Year Ended June 30, 2007

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**Prior Year Audit Findings**

|  | <u>Status</u>       |
|--|---------------------|
| 03-01 Property Tax (Ten Year) History    | Repeated            |
| 04-01 Incorrect Cash Balances            | Repeated            |
| 04-02 Joint Powers Agreement             | Resolved            |
| 04-03 Refunds/Reimbursements             | Resolved            |
| 04-08 Personnel Policy                   | Resolved            |
| 04-11 Disbursements                      | Resolved            |
| 04-12 Investment Policy                  | Resolved            |
| 04-13 Budget Overruns                    | Repeated & Modified |
| 04-14 Hospital Fund                      | Resolved            |
| 04-16 Depreciation Policy                | Resolved            |
| 04-17 Depreciation of Capital Assets     | Repeated            |
| 04-18 Capital Assets                     | Repeated            |
| 04-19 Late Audit Report                  | Repeated            |
| 05-01 Canteen Fund                       | Repeated            |
| 05-02 Transfers                          | Resolved            |
| 06-02 CDBG Grant                         | Resolved            |
| 06-03 JAG Grant                          | Resolved            |
| 06-04 New Mexico Solid Waste Violations  | Resolved            |
| 06-05 CDBG Day Care Project Bank Account | Resolved            |

**Current Year Audit Findings**

03-01 Property Tax (Ten Year) History

**Condition**

The County could not provide a ten year history of tax collections.

**Criteria**

The State Auditors Office Rule 2.2.2.12D requires a schedule of the ten year history of tax collections by entity. Also, per GASB 33 the financial statements must be reported on a full accrual basis.

**Effect**

An historical view of past tax collections and the ability to compare past years with current collection is not available. Also, the financial statements are not reported on a full accrual basis per GASB 33.

**Cause**

The County does not have the information to prepare a ten year history of tax collections.

**Recommendation**

The County should allocate the time and money to prepare this schedule.

**Response**

We have purchased software and now have six of the required ten years' information.

04-01 Incorrect Cash Balances

**Condition**

The County Clerks Office is not preparing reports that include the outstanding checks written by the Clerks Office. Cash balances being used are the County Treasurers balances. The County Treasurer does not know which or how much is outstanding each month. Therefore, the Treasurers reports are overstating cash.

**Criteria**

Cash balances should include all outstanding checks. This provides the reader with an accurate cash balance.

**Effect**

Cash is being overstated. Also, because the outstanding checks are not included in expenditures, expenditures are understated.

**Cause**

The two departments are using two different software programs. Neither department is bridging the gap by creating a reconciliation to include these outstanding checks.

**Recommendation**

The Treasurers Office should utilize the Clerk's software to record all revenues so that an accurate bank reconciliation can be performed that include outstanding checks.

**Response**

The Treasurer's Office will enter all revenue in the Clerk's software and perform the reconciliations. The Treasurer's software will be utilized for tax collections only.

04-13 Budget Overruns

**Condition**

The County had budget overruns in the Correction Fund \$(52,775), the Valley Fire Department \$(5,762) and the Lake Sumner Fire Fund \$(19,733).

**Criteria**

According to Sections 6-6-6 through 6-6-11 NMSA 1978 Compilation "prohibits local governments from making expenditures in excess of the approved budget".

**Effect**

Sections 6-6-6 through 6-6-11 NMSA 1978 Compilation was violated.

**Cause**

Budget adjustment requests were not prepared and approved by DFA.

**Recommendation**

The County should ensure that all budget adjustment requests are prepared and approved in a timely manner so that DFA regulations are followed.

**Response**

All budget adjustment requests will be prepared and approved in a timely manner and DFA regulations will be followed by the Clerk's Office.

04-17 Depreciation of Capital Assets

**Condition**

The County has not successfully managed to depreciate their capital assets.

**Criteria**

GASB 34 requires all capital assets must be depreciated.

**Effect**

The financial statements could be misstated.

**Cause**

The department involved can only provide estimates of depreciation because there is not a list of capital assets.

**Recommendation**

The County need to compile a list of capital assets and create a depreciation schedule.

**Response**

We are preparing a list of capital assets and will create a depreciation schedule.

04-18 Capital Assets

**Condition**

A complete capital asset listing including current year additions and deletions was not available.

**Criteria**

1 NMAC 1.2.1.8 and 12-6-10 NMSA 1978 requires a complete listing of capital assets including current year additions and deletions be maintained.

**Effect**

The capital assets could be overstated or understated.

**Cause**

An employee has not been designated to complete and maintain capital assets records.

**Recommendation**

The County need to compile a list of capital assets and create a depreciation schedule.

**Response**

We are preparing a list of capital assets and will create a depreciation schedule.

04-19 Late Audit Report

**Condition**

The audit report was not timely submitted to the State Auditor by the due date. The audit report was received by the State Auditor on August 5, 2009.

**Criteria**

All audit reports should be submitted to the State Auditor by the required due date according the State Auditors Rule 2.2.2 9 A (1) ( c ).

**Effect**

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

**Cause**

The previous audits have been submitted after their due dates causing it to be difficult to catch up current audits.

**Recommendation**

The County should work diligently to become current with all of their audit reports.

**Response**

The Clerk's Office is working hard to ensure that all audit reports are submitted timely.



05-01 Canteen Fund

**Condition**

The jail in the County keeps funds on behalf of the prisoners housed there. The funds are not recorded and provided to management for review or ensure the cash is safeguarded.

**Criteria**

All funds, even these kept in a trust capacity must be accounted for and reported to management.

**Effect**

The cash may not be safeguarded.

**Cause**

Employees in this department were unaware of this requirement.

**Recommendation**

The department should provide management with a report accounting for the funds and bank statements monthly.

**Response**

The Corrections Department will submit a monthly report with a copy of the bank statement to the Treasurer's Office.

07-01 Preparation of the Audit Report

**Condition**

The County's employees or management do not have the qualifications and training to apply GAAP in recording their financial transaction and preparing their financial statements.

**Criteria**

According to the SAS 112: SAO Rule 2.2.2.8 J (4) if the auditor prepares the financial statements, it should be included as a finding.

**Effect**

By preparing the financial statements, the auditors are auditing their own work product.

**Cause**

The County is so small, it cannot afford to hire personnel that have adequate qualifications and training to prepare the financial statements.

**Recommendation**

The County should hire someone with adequate qualifications and training to prepare the financial statements.

**Response**

Our County is so small and does not have sufficient funding to hire personnel to prepare the financial statements. We chose to receive a finding rather than spend additional funds hiring personnel capable of preparing our financial statements.

**Financial Statement Preparation**

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

**Exit Conference**

An exit conference was held on August 4, 2009. In attendance was Joe Steele-chairman, Laurie Pettigrew-County Clerk, Randy Ballard-County Treasurer and De'Aun Willoughby, CPA.