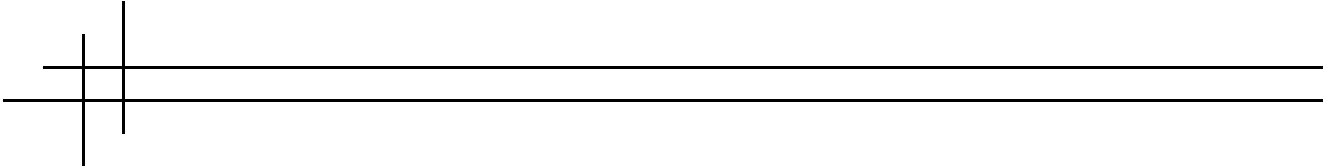




STATE OF NEW MEXICO
DE BACA COUNTY

ANNUAL FINANCIAL REPORT
June 30, 2008

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



	<u>Page</u>
Official Roster.....	5
Independent Auditor's Report.....	6-7
 FINANCIAL SECTION 	
Basic Financial Statements	
Government Wide Financial Statements	
Statement of Net Assets.....	9
Statement of Activities.....	10
Fund Financial Statements	
Government Funds - Balance Sheet.....	11-13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	14
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	15-17
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	18
 MAJOR FUND 	
General Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	19-21
Special Revenue	
Civil Defense Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	22
Road Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	23
Ambulance Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	24
Statement of Fiduciary Assets & Liabilities-Agency Funds.....	25
Notes to Financial Statements.....	26-39
 SUPPLEMENTARY INFORMATION RELATED TO MAJOR FUNDS 	
Capital Outlay	
Fair Grounds	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	41

	<u>Page</u>
SUPPLEMENTARY INFORMATION RELATED TO NON MAJOR FUNDS	
Combining Non-Major Governmental Funds	
Combining Balance Sheet - by Fund Type.....	46-55
Combining Statement of Revenues, Expenditures and Changes in Fund Balance and Changes in Fund Balance - by Fund Type.....	56-65
Reappraisal Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	66
Recording & Equipment Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	67
County Reserve Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	58
Lake Sumner Fire Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	69
Valley Fire Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	70
Lake Sumner EMS Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	71
Correction Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	72
Probation Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	73
Canteen Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	74
Law Enforcement Protection Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	75
Homeland Security Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	76
JAG Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	77
Sheriffs Overtime Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	78
Sheriffs Forfeiture Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	79

STATE OF NEW MEXICO
DE BACA COUNTY
 Table of Contents
 For the Year Ended June 30, 2008

	<u>Page</u>
Traffic Safety Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	80
DWI Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	81
DARE Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	82
Enhanced 911 Grant Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	83
Farm & Range Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	84
County Environmental Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	85
Beautification Grant Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	86
Health grant Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	87
County Indigent Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	88
Flu Pandemic Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Budgetary Basis).....	89
Hospital Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	90
Capital Outlay	
Day Care Center Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	91
Court House Grant Fund	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).....	92
Schedule of Joint Powers Agreements	93
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	94-95
Findings and Responses	96-101

STATE OF NEW MEXICO
DE BACA COUNTY
Official Roster
June 30, 2008

COUNTY COMMISSION

Powhatan Carter	Chairman
Joe Steele	Member
Tommy Roybal	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 Melrose, 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, each major fund and the aggregate remaining fund information and the budgetary comparisons for the General Fund and Major Special Revenue Funds of DE BACA COUNTY, (County), as of and for the year ended June 30, 2008, 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 the budgetary comparisons for the major capital outlay fund and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, 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 with 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, 2008, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2008, and the respective changes in financial position, thereof and the respective budgetary comparisons for the General Fund and Major Special Revenue Funds for the year then ended in 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, 2008, and the respective changes in financial statements, where applicable, thereof and the respective budgetary comparison for the non-major funds 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 June 10, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The County has not presented 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.

De'Ann Willoughby CPA PC

June 10, 2011

FINANCIAL SECTION

STATE OF NEW MEXICO
DE BACA COUNTY
 Government-Wide Statement of Net Assets
 June 30, 2008

	<u>Governmental Activities</u>	<u>Component Unit</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,231,913	\$ 230,874
Receivables (Net of Allowance for Uncollectibles if Applicable)		
Accounts	0	165,446
Taxes	49,490	0
Due from Grantor	16,076	59,744
Other	0	5,161
Total Current Assets	<u>2,297,479</u>	<u>461,225</u>
Noncurrent Assets		
Restricted Cash	720,102	325,000
Capital Assets	4,592,491	659,360
Less: Accumulated Depreciation	<u>(2,621,210)</u>	<u>(303,984)</u>
Total Noncurrent Assets	<u>2,691,383</u>	<u>680,376</u>
Total Assets	<u>4,988,862</u>	<u>1,141,601</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	67,492	19,170
Accrued Salaries and Related Expenses	5,373	25,558
Deferred Revenue	0	53,795
Current Portion of Long-Term Debt	135,194	0
Total Current Liabilities	<u>208,059</u>	<u>98,523</u>
Noncurrent Liabilities		
Loans	1,392,977	0
Compensated Absences	24,437	21,587
Landfill Closure Cost	736,500	0
Total Noncurrent Liabilities	<u>2,153,914</u>	<u>21,587</u>
Total Liabilities	<u>2,361,973</u>	<u>120,110</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	443,110	355,376
Unrestricted	2,183,779	666,115
Total Net Assets	<u>\$ 2,626,889</u>	<u>\$ 1,021,491</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, 2008

Functions/Programs	Expenses	Program Revenues			Net(Expenses) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
Governmental Activities						
General Government	\$ 426,860	\$ 31,170	\$ 413,000	\$ 405,403	\$ 422,713	\$ 0
Public Safety	871,377	91,179	288,576	142,500	(349,122)	0
Public Works	1,204,657	308	365,046	47,738	(791,565)	0
Culture & Recreation	2,122	0	1,122	0	(1,000)	0
Health & Welfare	87,846	0	69,451	74,018	55,623	0
Depreciation	257,568	0	0	0	(257,568)	0
Interest on Long-Term Obligations	4,221	0	0	0	(4,221)	0
Total Governmental Activities	<u>\$ 2,854,651</u>	<u>\$ 122,657</u>	<u>\$ 1,137,195</u>	<u>\$ 669,659</u>	<u>\$ (925,140)</u>	<u>\$ 0</u>
Component Unit	<u>\$ 1,885,655</u>	<u>\$ 1,710,580</u>	<u>\$ 18,324</u>	<u>\$ 0</u>		<u>\$ (156,751)</u>
General Revenues						
Property Taxes					\$ 723,984	\$ 182,275
Gross Receipts Taxes					226,065	0
Motor Vehicle Taxes					305,955	0
Gasoline Taxes					126,835	0
Interest Income					99,386	13,883
Miscellaneous					517,750	0
Total General Revenues					<u>1,999,975</u>	<u>196,158</u>
Change in Net Assets					<u>1,074,835</u>	<u>39,407</u>
Beginning Net Assets					2,096,490	982,084
Restatement					<u>(544,436)</u>	<u>0</u>
Beginning Net Assets as Restated					<u>1,552,054</u>	<u>982,084</u>
Ending Net Assets					<u>\$ 2,626,889</u>	<u>\$ 1,021,491</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, 2008

	General Fund	Special Revenue Funds	
		Civil Defense Fund	Road Fund
ASSETS			
Cash and Cash Equivalents	\$ 799,237	\$ 10,000	\$ 925,653
Receivables (Net of Allowance for Uncollectibles if Applicable)			
Taxes	10,380	0	33,075
Interfund Balance	18,288	0	0
Due from Grantor	0	0	0
Restricted Cash	0	0	716,823
Total Assets	<u>\$ 827,905</u>	<u>\$ 10,000</u>	<u>\$ 1,675,551</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	14,381	10,000	23,119
Accrued Salaries and Related Expenses	2,555	0	1,575
Total Liabilities	<u>16,936</u>	<u>10,000</u>	<u>24,694</u>
Fund Balances			
Reserved for Special Revenue Funds	0	0	1,650,857
Reserved for Capital Outlay Funds	0	0	0
Unreserved Reported In:			
General Fund	810,969	0	0
Total Fund Balances	<u>810,969</u>	<u>0</u>	<u>1,650,857</u>
Total Liabilities and Fund Balances	<u>\$ 827,905</u>	<u>\$ 10,000</u>	<u>\$ 1,675,551</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, 2008

	Special Revenue Fund	Capital Projects Fund	Non-Major Governmental Funds
	Ambulance Fund	Fair Grounds Fund	
ASSETS			
Cash and Cash Equivalents	\$ 13,343	\$ 0	\$ 483,680
Receivables (Net of Allowance for Uncollectibles if Applicable)			
Taxes	1,298	0	4,737
Interfund Balance	0	0	0
Due from Grantor	0	16,076	0
Restricted Cash	0	0	3,279
Total Assets	<u>\$ 14,641</u>	<u>\$ 16,076</u>	<u>\$ 491,696</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Current Liabilities			
Interfund Balance	\$ 0	\$ 16,076	\$ 2,212
Accounts Payable	13,343	0	6,649
Accrued Salaries and Related Expenses	0	0	1,243
Total Liabilities	<u>13,343</u>	<u>16,076</u>	<u>10,104</u>
Fund Balances			
Reserved for Special Revenue Funds	1,298	0	478,749
Reserved for Capital Outlay Funds	0	0	2,843
Unreserved Reported In:			
General Fund	0	0	0
Total Fund Balances	<u>1,298</u>	<u>0</u>	<u>481,592</u>
Total Liabilities and Fund Balances	<u>\$ 14,641</u>	<u>\$ 16,076</u>	<u>\$ 491,696</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, 2008

	Total Governmental Funds
	<u> </u>
ASSETS	
Cash and Cash Equivalents	\$ 2,231,913
Receivables (Net of Allowance for Uncollectibles if Applicable)	
Taxes	49,490
Interfund Balance	18,288
Due from Grantor	16,076
Restricted Cash	<u>720,102</u>
Total Assets	<u>\$ 3,035,869</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Current Liabilities	
Interfund Balance	\$ 18,288
Accounts Payable	67,492
Accrued Salaries and Related Expenses	<u>5,373</u>
Total Liabilities	<u>91,153</u>
Fund Balances	
Reserved for Special Revenue Funds	2,130,904
Reserved for Capital Outlay Funds	2,843
Unreserved Reported In:	
General Fund	<u>810,969</u>
Total Fund Balances	<u>2,944,716</u>
 Total Liabilities and Fund Balances	 <u>\$ 3,035,869</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
 Balance Sheet to the Statement of Net Assets
 June 30, 2008

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

Total Fund Balance - Governmental Funds	\$	2,944,716
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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	\$	4,592,491	
Accumulated depreciation is		<u>(2,621,210)</u>	1,971,281

Long-term and certain other liabilities, including loans 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		(1,528,171)	
Landfill Closures Cost		(736,500)	
Compensated Absences	\$	<u>(24,437)</u>	<u>(2,289,108)</u>

Total net assets - governmental activities	\$	<u><u>2,626,889</u></u>
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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, 2008

	Special Revenue Funds		
	General Fund	Civil Defense Fund	Road Fund
Revenues			
Taxes			
Gross Receipts Tax	\$ 110,337	\$ 0	\$ 0
Property Taxes	723,984	0	0
Motor Vehicle Tax	9,687	0	296,268
Gasoline Tax	0	0	126,836
Federal Grants	0	0	0
State Grants	393,000	30,000	359,598
Local Grant	20,000	0	0
Charges for Services	8,342	0	308
Fines & Forfeitures	56,846	0	0
Licenses & Permits	2,665	0	0
Interest Income	48,323	0	41,825
Miscellaneous	53,472	0	404,711
Total Revenues	<u>1,426,656</u>	<u>30,000</u>	<u>1,229,546</u>
Expenditures			
Current			
General Government	397,317	0	0
Public Safety	373,408	30,000	0
Public Works	171,658	0	977,006
Culture & Recreation	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	0	480,650
Debt Service			
Principal	0	0	42,107
Interest	0	0	0
Total Expenditures	<u>942,383</u>	<u>30,000</u>	<u>1,499,763</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>484,273</u>	<u>0</u>	<u>(270,217)</u>
Other Financing Sources (Uses)			
Transfers In/Out	(244,717)		70,577
Loan Proceeds	0	0	727,419
Total Other Sources (Uses)	<u>(244,717)</u>	<u>0</u>	<u>797,996</u>
Net Change in Fund Balance	239,556	0	527,779
Fund Balances at Beginning of Year	<u>571,413</u>	<u>0</u>	<u>1,123,078</u>
Fund Balance End of Year	<u>\$ 810,969</u>	<u>\$ 0</u>	<u>\$ 1,650,857</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, 2008

	Special Revenue Fund	Capital Projects Fund	Non-Major Governmental Funds
	Ambulance Fund	Fair Grounds Fund	
Revenues			
Taxes			
Gross Receipts Tax	\$ 28,554	\$ 0	\$ 87,174
Property Taxes	0	0	0
Motor Vehicle Tax	0	0	0
Gasoline Tax	0	0	0
Federal Grants	0	0	295,037
State Grants	0	47,738	665,419
Local Grant	0	0	0
Charges for Services	0	0	18,054
Fines & Forfeitures	0	0	32,504
Licenses & Permits	0	0	0
Interest Income	0	0	9,238
Miscellaneous	0	0	59,567
Total Revenues	<u>28,554</u>	<u>47,738</u>	<u>1,166,993</u>
Expenditures			
Current			
General Government	0	0	26,934
Public Safety	0	0	467,126
Public Works	0	0	54,926
Culture & Recreation	0	0	2,122
Health & Welfare	0	0	87,846
Capital Outlay	36,653	47,738	703,078
Debt Service			
Principal	0	0	44,453
Interest	0	0	4,221
Total Expenditures	<u>36,653</u>	<u>47,738</u>	<u>1,390,706</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(8,099)</u>	<u>0</u>	<u>(223,713)</u>
Other Financing Sources (Uses)			
Transfers In/Out	0	0	174,140
Loan Proceeds	0	0	75,000
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>249,140</u>
Net Change in Fund Balance	(8,099)	0	25,427
Fund Balances at Beginning of Year	<u>9,397</u>	<u>0</u>	<u>456,165</u>
Fund Balance End of Year	<u>\$ 1,298</u>	<u>\$ 0</u>	<u>\$ 481,592</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, 2008

	Total Governmental Funds
	<u> </u>
Revenues	
Taxes	
Gross Receipts Tax	\$ 226,065
Property Taxes	723,984
Motor Vehicle Tax	305,955
Gasoline Tax	126,836
Federal Grants	295,037
State Grants	1,495,755
Local Grant	20,000
Charges for Services	26,704
Fines & Forfeitures	89,350
Licenses & Permits	2,665
Interest Income	99,386
Miscellaneous	517,750
Total Revenues	<u>3,929,487</u>
Expenditures	
Current	
General Government	424,251
Public Safety	870,534
Public Works	1,203,590
Culture & Recreation	2,122
Health & Welfare	87,846
Capital Outlay	1,268,119
Debt Service	
Principal	86,560
Interest	4,221
Total Expenditures	<u>3,947,243</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,756)</u>
Other Financing Sources (Uses)	
Transfers In/Out	0
Loan Proceeds	802,419
Total Other Sources (Uses)	<u>802,419</u>
Net Change in Fund Balance	784,663
Fund Balances at Beginning of Year	<u>2,160,053</u>
Fund Balance End of Year	<u>\$ 2,944,716</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, 2008

Net Change in Fund Balance \$ 784,663

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.

Depreciation expense	\$ (257,568)	
Capital Outlays	<u>1,268,119</u>	1,010,551

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net assets. (802,419)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 86,560

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 6/30/07	19,917	
Accrued Compensated Absences at 6/30/08	<u>\$ (24,437)</u>	<u>(4,520)</u>

Changes in Net Assets of Governmental Activities \$ 1,074,835

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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 104,500	\$ 104,500	\$ 112,166	\$ 7,666
Property Taxes	459,651	459,651	505,339	45,688
Payment in Lieu of Taxes	60,000	60,000	207,726	147,726
Motor Vehicle Taxes	8,500	8,500	8,997	497
Cigarette Tax	0	0	147	147
Charge for Services	0	0	8,342	8,342
Fees & Fines	0	0	56,846	56,846
License & Permits	2,300	2,300	2,665	365
JPA-Communications	0	0	20,000	20,000
Rents	0	0	13,701	13,701
State Grants	393,000	393,000	393,000	0
Penalties & Interest	5,000	5,000	5,889	889
Interest Income	0	0	48,323	48,323
Sale of Property	0	0	16,123	16,123
Miscellaneous	175,300	175,300	23,647	(151,653)
Total Revenues	1,208,251	1,208,251	1,422,911	214,660
Expenditures				
Commissioners				
Personnel Services	66,775	66,775	36,621	30,154
Employee Benefits	7,908	7,908	3,503	4,405
Operating Expenses	136,139	136,139	95,137	41,002
Total Commissioners	210,822	210,822	135,261	75,561
Probate				
Personnel Services	8,155	8,155	8,155	0
Employee Benefits	642	642	628	14
Operating Expenses	1,275	1,275	436	839
Total Probate	10,072	10,072	9,219	853
Treasurer				
Personnel Services	52,936	52,936	51,587	1,349
Employee Benefits	8,657	8,657	7,441	1,216
Operating Expenses	8,008	8,008	6,574	1,434
Total Treasurer	69,601	69,601	65,602	3,999
Assessor				
Personnel Services	53,268	53,268	52,788	480
Employee Benefits	14,429	14,429	12,762	1,667
Operating Expenses	5,318	5,318	5,610	(292)
Total Assessor	\$ 73,015	\$ 73,015	\$ 71,160	\$ 1,855

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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Clerk				
Personnel Services	\$ 64,666	\$ 66,326	\$ 64,383	\$ 1,943
Employee Benefits	17,862	17,962	17,785	177
Operating Expenses	44,689	44,259	32,703	11,556
Total Clerk	<u>127,217</u>	<u>128,547</u>	<u>114,871</u>	<u>13,676</u>
Public Safety				
Sheriff				
Personnel Services	117,527	48,099	86,947	(38,848)
Employee Benefits	26,011	26,011	19,130	6,881
Operating Expenses	50,783	129,211	56,739	72,472
Total Sheriff	<u>194,321</u>	<u>203,321</u>	<u>162,816</u>	<u>40,505</u>
Dispatch				
Personnel Services	160,570	165,549	158,807	6,742
Employee Benefits	29,664	29,664	32,658	(2,994)
Operating Expenses	18,484	21,086	19,731	1,355
Capital Outlay	0	0	0	0
Total Dispatch	<u>208,718</u>	<u>216,299</u>	<u>211,196</u>	<u>5,103</u>
Public Works				
Maintenance				
Personnel Services	20,800	20,800	16,931	3,869
Employee Benefits	3,056	3,056	3,017	39
Operating Expenses	38,232	38,232	41,320	(3,088)
Total Maintenance	<u>62,088</u>	<u>62,088</u>	<u>61,268</u>	<u>820</u>
Sanitation				
Personnel Services	47,254	47,254	43,500	3,754
Employee Benefits	12,458	12,458	11,149	1,309
Operating Expenses	41,330	51,882	56,947	(5,065)
Total Sanitation	<u>101,042</u>	<u>111,594</u>	<u>111,596</u>	<u>(2)</u>
Total Expenditures	<u>1,056,896</u>	<u>1,085,359</u>	<u>942,989</u>	<u>142,370</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>151,355</u>	<u>122,892</u>	<u>479,922</u>	<u>357,030</u>
Other Financing Sources (Uses)				
Transfer to Corrections	0	0	(225,266)	225,266
Transfer to Farm & Range	0	0	(19,451)	19,451
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (244,717)</u>	<u>\$ 244,717</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Net Changes in Fund Balance	\$ 151,355	\$ 122,892	\$ 235,205	\$ 112,313
Cash Balance Beginning of Year	<u>582,320</u>	<u>582,320</u>	<u>582,320</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 733,675</u>	<u>\$ 705,212</u>	<u>\$ 817,525</u>	<u>\$ 112,313</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 479,922	
Net Change in Taxes Receivable			3,745	
Net Change in Accounts Payable			(2,555)	
Net Change in Accrued Salaries			<u>3,161</u>	
Net Change in Fund Balance-GAAP Basis			<u>\$ 484,273</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 30,000	\$ 30,000	\$ 30,000	\$ 0
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>0</u>
Expenditures				
Public Safety				
Operating Expenses	30,000	30,000	20,000	10,000
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>20,000</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	10,000	10,000
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>\$ 10,000</u>	<u>\$ 10,000</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 10,000	
Net Change in Accounts Payable			<u>(10,000)</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-ROAD FUND

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

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Motor Vehicle Taxes	\$ 220,000	\$ 220,000	\$ 296,174	\$ 76,174
Gasoline Taxes	121,500	121,500	127,170	5,670
Charges for Services	0	0	308	308
Rents	0	0	6,720	6,720
State Grants	269,000	269,000	359,599	90,599
Interest Income	0	0	41,825	41,825
Sale of Property	0	0	397,880	397,880
Miscellaneous	101,000	101,000	111	(100,889)
Total Revenues	711,500	711,500	1,229,787	518,287
Expenditures				
Public Works				
Personnel Services	292,598	292,598	251,990	40,608
Employee Benefits	57,346	57,346	37,556	19,790
Operating Expenses	371,169	371,169	655,085	(283,916)
Capital Outlay	150,000	150,000	480,650	(330,650)
Debt Service				
Principal	0	0	42,107	(42,107)
Interest	0	0	25,436	(25,436)
Total Expenditures	871,113	871,113	1,492,824	(621,711)
Excess (Deficiency) of Revenues Over Expenditures	<u>(159,613)</u>	<u>(159,613)</u>	<u>(263,037)</u>	<u>(103,424)</u>
Other Financing Sources (Uses)				
Transfer from Homeland Security	0	0	70,577	70,577
Loan Proceeds	0	0	727,419	727,419
Total Other Financing Sources (Uses)	0	0	797,996	797,996
Net Changes in Fund Balance	(159,613)	(159,613)	534,959	694,572
Cash Balance Beginning of Year	<u>1,107,517</u>	<u>1,107,517</u>	<u>1,107,517</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 947,904</u>	<u>\$ 947,904</u>	<u>\$ 1,642,476</u>	<u>\$ 694,572</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 534,959	
Net Change in Taxes Receivable			(240)	
Net Change in Accounts Payable			(5,365)	
Net Change in Accrued Payroll			(1,575)	
Net Change in Fund Balance-GAAP Basis			<u>\$ 527,779</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 20,000	\$ 20,000	\$ 30,511	\$ 10,511
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>30,511</u>	<u>10,511</u>
Expenditures				
Health & Welfare				
Capital Outlay	20,000	23,310	23,310	0
Total Expenditures	<u>20,000</u>	<u>23,310</u>	<u>23,310</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(3,310)	7,201	10,511
Cash Balance Beginning of Year	<u>6,142</u>	<u>6,142</u>	<u>6,142</u>	<u>0</u>
Cash Balance End of Year	\$ <u>6,142</u>	\$ <u>2,832</u>	\$ <u>13,343</u>	\$ <u>10,511</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,201	
Net Change in Taxes Receivable			(1,957)	
Net Change in Accounts Payable			<u>(13,343)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(8,099)</u>	

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, 2008

	<u>Total</u>
ASSETS	
Cash and temporary investments	\$ 3,327
Receivables	
Property Taxes	<u>33,351</u>
Total Assets	<u><u>36,678</u></u>
LIABILITIES	
Due to other taxing units	<u>36,678</u>
Total Liabilities	<u><u>\$ 36,678</u></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) prior to 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 two 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.

Sunnyside Child Development Center

Sunnyside Child Development Center (Center) located in Fort Sumner, New Mexico is a not-for-profit community childcare center. The Center provides childcare services to residents of De Baca County. The Center was incorporated December 2007 and is considered a component unit of De Baca County.

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 columns, has been removed from these statements.

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

Program Revenues

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 among 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. 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.

Major Special Revenue Funds

Civil Defense Fund-To account for the monitoring of funds received form 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.

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.

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.

Major Capital Outlay Fund

Fair Grounds- To account for grants received for the purpose of improving the fair ground facilities.

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 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. 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, licenses, charges for service, interest income and intergovernmental revenues. Gross receipts taxes collected and held by the state at year end 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 adopted 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 or municipality 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 columns in the government-wide financial statements. 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.

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	80 Years
Building Improvements	50 Years
Furniture	10 Years
Equipment	15 Years
Vehicles	7 Years
Heavy Equipment	15 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.

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.

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.

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2008

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 Per Bank 6/30/08</u>	<u>Reconciled Balance</u>	<u>Type</u>
Federal Tax Account	\$ 9,029	\$ 32	Checking
De Baca County NOW Account	251,018	196,477	Checking
De Baca County MMA Account	497,517	497,517	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	200,000	200,000	Savings
De Baca County CD 2222	141,214	141,214	Savings
TOTAL Deposited	<u>2,298,778</u>	<u>\$ 2,235,240</u>	
Less: FDIC Coverage	<u>(200,000)</u>		
Uninsured Amount	2,098,778		
50% collateral requirement	1,049,389		
Pledged securities	<u>1,840,810</u>		
Over (Under) requirement	<u>\$ 791,421</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

The following securities are pledged:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
GNMA Pool # 614401	36290QRW7	\$ 594,173	7/15/2018	Independent Bank-Dallas, TX
GNMA Pool # 3696	36202EC98	1,133,645	4/20/2020	Independent Bank-Dallas, TX
GNMA Pool # 80848	36225C5J1	112,992	3/20/2034	Independent Bank-Dallas, TX
		<u>\$ 1,840,810</u>		

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2008

Bank of Albuquerque

<u>Name of Account</u>	Balance Per Bank 6/30/08	Reconciled Balance
Lake Sumner Fire Department	\$ 138	\$ 138
County Reserve	1,875	1,875
Valley Fire Department	709	709
Lake Sumner Fire Department Roads	558	558
	<u>716,822</u>	<u>716,822</u>
TOTAL Deposited	720,102	\$ <u>720,102</u>
Less: FDIC Coverage	<u>(100,000)</u>	
Uninsured Amount	620,102	
50% collateral requirement	0	
Pledged securities	<u>620,102</u>	
Over (Under) requirement	<u>\$ 620,102</u>	

The funds held at the Bank of Albuquerque are on behalf of the NMFA. The funds are held in reserve for debt service and earn a small amount of interest. The cash balances are restricted cash in the financial statements. The pledged securities are the responsibilities of NMFA.

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank Balance
Insured	\$ 300,000
Collateralized:	
Collateral held by the pledging bank in County's name	1,840,810
Uninsured and uncollateralized	878,070
Total Deposits	<u>\$ 3,018,880</u>

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, 2008 \$878,070 of the County's bank balance of \$3,018,880 was exposed to custodial credit risk.

Component Unit:

Citizens Bank of Clovis

<u>Name of Account</u>	Balance Per Bank 6/30/08	Reconciled Balance	Type
De Baca Family Practice Clinic	\$ 579,909	\$ 555,874	Checking
TOTAL Deposited	579,909	<u>\$ 555,874</u>	
Less: FDIC Coverage	<u>(100,000)</u>		
Uninsured Amount	479,909		
50% collateral requirement	239,955		
Pledged securities	863,231		
Over (Under) requirement	<u>\$ 623,277</u>		

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, 2008 none of the Clinic's bank balance of \$579,909 was exposed to custodial credit risk.

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2008

NOTE 4: RECEIVABLES

Receivables as of June 30, 2008, were as follows:

Receivables	General	Road	Ambulance	Fair Grounds	Nonmajor Funds
Taxes:					
Gross Receipts	\$ 10,380	\$ 0	\$ 1,298	\$ 0	\$ 4,737
Motor Vehicle	0	22,632	0	0	0
Gasoline Tax	0	10,443	0	0	0
Due from Grantor	0	0		16,076	0
	<u>\$ 10,380</u>	<u>\$ 33,075</u>	<u>\$ 1,298</u>	<u>\$ 16,076</u>	<u>\$ 4,737</u>

NOTE 5: TAX ROLL RECONCILIATION

Property taxes receivable, beginning of year	\$ 17,746
Changes to tax roll:	
Net taxes charged to treasurer for fiscal year	1,564,032
Adjustments:	
Changes in taxes receivables	8,769
Charge off of taxes receivables	<u>0</u>
Total receivables prior to collections	1,590,547
Collections for fiscal year ended June 30, 2008	<u>(1,557,196)</u>
Property taxes receivable, end of year	<u>\$ 33,351</u>

Property taxes receivable by year:

1998	\$ 4
1999	188
2000	51
2001	52
2002	461
2003	59
2004	57
2005	573
2006	5,807
2007	<u>26,099</u>
Total taxes receivable	<u>\$ 33,351</u>

Information for ten years by entity is unavailable.

NOTE 6: 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.

	Beginning Balances 6/30/2007	Additions	Deletions	Ending Balances 6/30/2008
ASSETS				
Cash on hand	\$ 0	\$ 3,327	\$ 0	\$ 3,327
Taxes receivables	17,746	1,572,801	1,557,196	33,351

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2008

Total assets	\$	<u>17,746</u>	\$	<u>1,576,128</u>	\$	<u>1,557,196</u>	\$	<u>36,678</u>
LIABILITIES								
Deposits held for others								
General	\$	0	\$	505,339	\$	505,339	\$	0
Medical Clinic		0		180,005		180,005		0
Irrigation Districts		0		255,326		255,326		0
Municipality		0		15,925		15,925		0
State of New Mexico		0		105,510		105,510		0
School District		0		456,355		456,355		0
Treasurer-Taxes Paid in Advance		0		3,327		0		3,327
Uncollected taxes		17,746		54,341		38,736		33,351
Total liabilities	\$	<u>17,746</u>	\$	<u>1,576,128</u>	\$	<u>1,557,196</u>	\$	<u>36,678</u>

NOTE 7: 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, 2008 is as follows:

Receivable Funds	Payable Funds	
	General Fund	Non-Major Governmental Funds
Road Fund	\$ 0	\$ 70,577
Non-Major Funds	244,717	0
Totals	\$ <u>244,717</u>	\$ <u>70,577</u>

NOTE 8: CAPITAL ASSETS

Capital Assets Balances and Activity for the Year Ended June 30, 2008, is as follows:

	Balance 6/30/07	Increases	Decreases	Balance 6/30/08
Governmental Activities				
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	480,650	0	822,987
Buildings & Improvements	1,698,699	524,315	0	2,223,014
Equipment	1,223,173	263,154	0	1,486,327
Total Capital Assets, being Depreciated	<u>3,271,447</u>	<u>1,268,119</u>	<u>0</u>	<u>4,539,566</u>
Total Capital Assets	<u>3,324,372</u>	<u>1,268,119</u>	<u>0</u>	<u>4,592,491</u>
Less Accumulated Depreciation				
Land Improvements	2,068	1,034	0	3,102
Buildings & Improvements	1,443,494	17,443	0	1,460,937

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2008

Infrastructure	17,008	6,634	0	23,642
Equipment	901,072	232,457	0	1,133,529
Total Accumulated Depreciation	<u>2,363,642</u>	<u>257,568</u>	<u>0</u>	<u>2,621,210</u>
Capital Assets, net	\$ <u>960,730</u>	\$ <u>1,010,551</u>	\$ <u>0</u>	\$ <u>1,971,281</u>

Depreciation expense was charged to governmental activities as follows:

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

Component Unit:

De Baca Family Practice Clinic

Capital asset activity consists of the following at June 30, 2008:

	Balance 6/30/07	Increases	Decreases	Balance 6/30/08
Leasehold Improvements	\$ 218,139	\$ 9,972	\$ 0	\$ 228,111
Medical Equipment	218,219	0	0	218,219
Dental Equipment	130,126	0	0	130,126
Office Equipment	46,593	23,123	0	69,716
Maintenance Equipment	13,188	0	0	13,188
Total Depreciable Assets	\$ <u>626,265</u>	\$ <u>33,095</u>	\$ <u>0</u>	\$ <u>659,360</u>

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2008

Less Accumulated Depreciation

Leasehold Improvements	\$	35,571	\$	15,587	\$	0	\$	51,158
Medical Equipment		118,642		29,200		0		147,842
Dental Equipment		38,727		26,096		0		64,823
Office Equipment		21,098		13,359		0		34,457
Maintenance Equipment		3,372		2,332		0		5,704
Total Accumulated Depreciation		<u>217,410</u>		<u>86,574</u>		<u>0</u>		<u>303,984</u>
Capital Assets, net	\$	<u>408,855</u>	\$	<u>(53,479)</u>	\$	<u>0</u>	\$	<u>355,376</u>

Depreciation was \$86,574 for the year ended June 30, 2008, respectively and is reported separately rather than allocated across departments.

NOTE 9: LONG TERM DEBT

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

	Balance 6/30/07	Restatement	Restated Beginning Balance	Additions	Reductions
Governmental Activities					
Notes Payable	\$ 267,876	\$ 544,436	\$ 812,312	\$ 802,419	\$ 86,560
Compensated Absences	19,917	0	19,917	28,571	24,051
Long-Term Liabilities	\$ <u>287,793</u>	\$ <u>544,436</u>	<u>832,229</u>	<u>830,990</u>	\$ <u>110,611</u>

	Balance 6/30/08	Amounts Due Within One Year
Notes Payable	\$ 1,528,171	\$ 135,194
Compensated Absences	24,437	0
Long-Term	\$ <u>1,552,608</u>	\$ <u>135,194</u>

The following loans were issued for the purpose of purchasing equipment for the fire departments and the road department.

Series	Lender	Maturity Date	Original Amount	Interest Rate	Balance
1995	NMFA	02/01/16	118,000	6.16%	\$ 64,000
1995	NMFA	05/01/14	183,994	0.00%	110,948
2000	NMFA	08/11/20	193,527	5.95%	63,400
2007	NMFA	05/01/12	75,000	0.00%	60,075
2005	Wagner Cat	05/07/10	184,580	5.95%	174,042
2005	Wagner Cat	05/07/10	727,419	5.95%	171,053
2008	NMFA	11/01/20	727,419	3.00%	727,419
	John Deere				
2005	Credit	12/01/10	166,300	4.75%	157,234
					\$ <u>1,528,171</u>

STATE OF NEW MEXICO
DE BACA COUNTY
Notes to the Financial Statements
June 30, 2008

The annual requirements to amortize the general obligation bonds as of June 30, 2008, including interest payments are as follows:

	Principal	Interest	Total
2009	\$ 135,194	\$ 54,781	\$ 189,975
2010	423,202	50,453	473,655
2011	237,712	27,875	265,587
2012	102,513	22,669	125,182
2013	89,044	20,502	109,546
2014-2018	387,659	65,366	453,025
2019-2020	152,847	8,513	161,360
	<u>\$ 1,528,171</u>	<u>\$ 250,159</u>	<u>\$ 1,778,330</u>

NOTE 10: RISK MANAGEMENT

The County participates in the New Mexico Self-Insurers Fund for medical insurance coverage for their employees. New Mexico 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 11: 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 7.0% of regular employee's gross wages and 10.0% of law enforcement personnel's gross wages. Regular employees were required to contribute 7.0% of their gross wages and law enforcement personnel were required to contribute 10.0% of their gross wages until December, 2007 when it increased for law enforcement personnel to 16.3% and the employer contribution for law enforcement personnel to 18.5%. 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 total contributions to PERA for the years ending June 2008, 2007, and 2006 were \$116,699, \$99,642, and \$91,188 respectively.

NOTE 12: 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 13: 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 statement.

NOTE 14: BUDGET VIOLATIONS

The County had budget overruns in the Road Fund of \$(621,711), Correction Fund of \$(20,213), the Valley Fire Fund of \$(39,098), the County Reserve Fund of \$(5,296) and the Beautification Grant of \$(568).

NOTE 15: 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 16: 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 are \$60,123.

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, 2008, 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, 2008. However, post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 17: FEDERAL AND STATE GRANTS

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

NOTE 18: RELATED PARTY

The County purchased supplies and services from Steele Electronics from time to time. Steele Electronics is owned by Joe Steele who is the chairman for the County. For the fiscal year ending there was one check written to Steele Electronics in the amount of \$1,834.95.

NOTE 19: DEFICIT FUND BALANCE

The Farm & Range Fund had a deficit fund balance of \$(1,602) and the Beautification Fund had a deficit fund balance of \$(992).

NOTE 20: 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.

The Sunnyside Child Development Center began business May 2008. The Center is a component unit of the County. An audit has not been performed and is not included in the County's financial statements as required by GASB 14 and 39. Information can be obtained by writing to Sunnyside Child Development Center P.O. Box 133, Fort Sumner, New Mexico 88119.

NOTE 21: RESTATEMENT

The Road Department leases equipment with Wagner Cat. It was determined that the lease payments were capital leases. Net Assets were decreased \$544,436. See Note 8 for details of the loans added to the County.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
DE BACA COUNTY
 CAPITAL OUTLAY-FAIR GROUNDS
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 47,811	\$ 31,662	\$ (16,149)
Total Revenues	<u>0</u>	<u>47,811</u>	<u>31,662</u>	<u>(16,149)</u>
Expenditures				
Public Works				
Capital Outlay	0	47,811	47,738	73
Total Expenditures	<u>0</u>	<u>47,811</u>	<u>47,738</u>	<u>73</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(16,076)	(16,076)
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>\$ (16,076)</u>	<u>\$ (16,076)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (16,076)	
Net Change in Due from Grantor			<u>16,076</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

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.

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).

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.

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)

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.

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.

Probation Fund

To account for a fee received from citizens on probation to fund the probation office. The fund was created by resolution.

Canteen Fund

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

NONMAJOR GOVERNMENTAL FUNDS

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.

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 Overtime Fund

To account for a state grant to fund overtime pay for state wide DWI task force. The fund was created by 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.

DWI Fund

To account for a state grant to fund overtime pay for state wide DWI task force. The fund was created by grant provisions.

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.

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.

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.

NONMAJOR GOVERNMENTAL FUNDS

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.

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.

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.

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.

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.

Capital Outlay

Day Care Center Fund

To account for a CDBG grant to construct a building for a day care center.

Court House Grant Fund

To account for a state grant to renovate the court house.

STATE OF NEW MEXICO
DE BACA COUNTY
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2008

	Special Revenue Funds		
	Reappraisal Fund	Recording & Equipment Fund	County Reserve Fund
ASSETS			
Cash and Cash Equivalents	\$ 17,462	\$ 8,648	\$ 21,301
Receivables			
Taxes	0	0	52
Restricted Cash	0	0	1,875
Total Assets	<u>\$ 17,462</u>	<u>\$ 8,648</u>	<u>\$ 23,228</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Salaries and Related Expenses	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Special Revenue Funds	17,462	8,648	23,228
Reserved for Capital Outlay Funds	0	0	0
Total Fund Balance	<u>17,462</u>	<u>8,648</u>	<u>23,228</u>
Total Liabilities and Fund Balance	<u>\$ 17,462</u>	<u>\$ 8,648</u>	<u>\$ 23,228</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, 2008

	Special Revenue Funds		
	Lake Sumner Fire Fund	Valley Fire Fund	Lake Sumner EMS Fund
ASSETS			
Cash and Cash Equivalents	\$ 52,624	\$ 50,069	\$ 10,927
Receivables			
Taxes	0	0	0
Restricted Cash	695	709	0
Total Assets	<u>\$ 53,319</u>	<u>\$ 50,778</u>	<u>\$ 10,927</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	1,513	4,508	0
Accrued Salaries and Related Expenses	0	0	0
Total Liabilities	<u>1,513</u>	<u>4,508</u>	<u>0</u>
Fund Balance			
Reserved for Special Revenue Funds	51,806	46,270	10,927
Reserved for Capital Outlay Funds	0	0	0
Total Fund Balance	<u>51,806</u>	<u>46,270</u>	<u>10,927</u>
Total Liabilities and Fund Balance	<u>\$ 53,319</u>	<u>\$ 50,778</u>	<u>\$ 10,927</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, 2008

	Special Revenue Funds		
	Corrections Fund	Probation Fund	Canteen Fund
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 80	\$ 3,267
Receivables			
Taxes	2,038	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 2,038</u>	<u>\$ 80</u>	<u>\$ 3,267</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 72	\$ 0	\$ 0
Accounts Payable	0	0	52
Accrued Salaries and Related Expenses	1,243	0	0
Total Liabilities	<u>1,315</u>	<u>0</u>	<u>52</u>
Fund Balance			
Reserved for Special Revenue Funds	723	80	3,215
Reserved for Capital Outlay Funds	0	0	0
Total Fund Balance	<u>723</u>	<u>80</u>	<u>3,215</u>
Total Liabilities and Fund Balance	<u>\$ 2,038</u>	<u>\$ 80</u>	<u>\$ 3,267</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, 2008

	Special Revenue Funds		
	Law Enforcement Fund	Homeland Security Fund	JAG Fund
ASSETS			
Cash and Cash Equivalents	\$ 16,058	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 16,058</u>	<u>\$ 0</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	41	0	0
Accrued Salaries and Related Expenses	0	0	0
Total Liabilities	<u>41</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Special Revenue Funds	16,017	0	0
Reserved for Capital Outlay Funds	0	0	0
Total Fund Balance	<u>16,017</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 16,058</u>	<u>\$ 0</u>	<u>\$ 0</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, 2008

	Special Revenue Funds		
	Sheriffs Overtime Fund	Sheriffs Forfeiture Fund	Traffic Safety Fund
ASSETS			
Cash and Cash Equivalents	\$ 1,412	\$ 0	\$ 2,771
Receivables			
Taxes	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 1,412</u>	<u>\$ 0</u>	<u>\$ 2,771</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Salaries and Related Expenses	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Special Revenue Funds	1,412	0	2,771
Reserved for Capital Outlay Funds	0	0	0
Total Fund Balance	<u>1,412</u>	<u>0</u>	<u>2,771</u>
Total Liabilities and Fund Balance	<u>\$ 1,412</u>	<u>\$ 0</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, 2008

	Special Revenue Funds		
	DWI Fund	DARE Fund	Enhanced 911 Grant Fund
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 1,293	\$ 783
Receivables			
Taxes	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 1,293</u>	<u>\$ 783</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Salaries and Related Expenses	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Special Revenue Funds	0	1,293	783
Reserved for Capital Outlay Funds	0	0	0
Total Fund Balance	<u>0</u>	<u>1,293</u>	<u>783</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 1,293</u>	<u>\$ 783</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, 2008

	Special Revenue Funds		
	County		
	Farm & Range Fund	Environmental Fund	Beautification Fund
ASSETS			
Cash and Cash Equivalents	\$ 0	\$ 60,123	\$ 0
Receivables			
Taxes	0	649	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 60,772</u>	<u>\$ 0</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 1,602	\$ 0	\$ 538
Accounts Payable	0	0	454
Accrued Salaries and Related Expenses	0	0	0
Total Liabilities	<u>1,602</u>	<u>0</u>	<u>992</u>
Fund Balance			
Reserved for Special Revenue Funds	(1,602)	60,772	(992)
Reserved for Capital Outlay Funds	0	0	0
Total Fund Balance	<u>(1,602)</u>	<u>60,772</u>	<u>(992)</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 60,772</u>	<u>\$ 0</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, 2008

	Special Revenue Funds		
	Health Grant Fund	County Indigent Fund	Flu Pandemic Fund
ASSETS			
Cash and Cash Equivalents	\$ 27,770	\$ 59,190	\$ 5,845
Receivables			
Taxes	0	1,998	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 27,770</u>	<u>\$ 61,188</u>	<u>\$ 5,845</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	81	0	0
Accrued Salaries and Related Expenses	0	0	0
Total Liabilities	<u>81</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Special Revenue Funds	27,689	61,188	5,845
Reserved for Capital Outlay Funds	0	0	0
Total Fund Balance	<u>27,689</u>	<u>61,188</u>	<u>5,845</u>
Total Liabilities and Fund Balance	<u>\$ 27,770</u>	<u>\$ 61,188</u>	<u>\$ 5,845</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, 2008

	<u>Special Revenue</u>	<u>Capital Outlay</u>	
	<u>Hospital Fund</u>	<u>Day Care Center Fund</u>	<u>Court House Grant Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 141,214	\$ 0	\$ 2,843
Receivables			
Taxes	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 141,214</u>	<u>\$ 0</u>	<u>\$ 2,843</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Interfund Balance	\$ 0	\$ 0	\$ 0
Accounts Payable	0	0	0
Accrued Salaries and Related Expenses	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Reserved for Special Revenue Funds	141,214	0	0
Reserved for Capital Outlay Funds	0	0	2,843
Total Fund Balance	<u>141,214</u>	<u>0</u>	<u>2,843</u>
Total Liabilities and Fund Balance	<u>\$ 141,214</u>	<u>\$ 0</u>	<u>\$ 2,843</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, 2008

	<u>Total</u>
ASSETS	
Cash and Cash Equivalents	\$ 483,680
Receivables	
Taxes	4,737
Restricted Cash	<u>3,279</u>
Total Assets	<u>\$ 491,696</u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Interfund Balance	\$ 2,212
Accounts Payable	6,649
Accrued Salaries and Related Expenses	<u>1,243</u>
Total Liabilities	<u>10,104</u>
Fund Balance	
Reserved for Special Revenue Funds	478,749
Reserved for Capital Outlay Funds	<u>2,843</u>
Total Fund Balance	<u>481,592</u>
Total Liabilities and Fund Balance	<u>\$ 491,696</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, 2008

	Special Revenue Funds		
	Reappraisal Fund	Recording & Equipment Fund	County Reserve Fund
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 7,952
Federal Grants	0	0	0
State Grants	0	0	2,109
Charges for Service	15,404	2,650	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	142
Miscellaneous	720	0	1,727
Total Revenues	<u>16,124</u>	<u>2,650</u>	<u>11,930</u>
Expenditures			
Current			
General Government	12,566	1,970	12,398
Public Safety	0	0	0
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	5,198
Interest	0	0	0
Total Expenditures	<u>12,566</u>	<u>1,970</u>	<u>17,596</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,558</u>	<u>680</u>	<u>(5,666)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Loan Proceeds	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	3,558	680	(5,666)
Fund Balances at Beginning of Year	<u>13,904</u>	<u>7,968</u>	<u>28,894</u>
Fund Balance End of Year	<u>\$ 17,462</u>	<u>\$ 8,648</u>	<u>\$ 23,228</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, 2008

	Special Revenue Funds		
	Lake Sumner Fire Fund	Valley Fire Fund	Lake Sumner EMS Fund
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	142,500	0
State Grants	60,858	95,318	3,294
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	684	701	0
Miscellaneous	2,506	33,807	0
Total Revenues	<u>64,048</u>	<u>272,326</u>	<u>3,294</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	24,251	115,039	8,160
Public Works	0	0	0
Culture & Recreation	0	0	0
Health & Welfare	0	0	0
Capital Outlay	75,000	151,500	0
Debt Service			
Principal	20,925	18,330	0
Interest	4,221	0	0
Total Expenditures	<u>124,397</u>	<u>284,869</u>	<u>8,160</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(60,349)</u>	<u>(12,543)</u>	<u>(4,866)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Loan Proceeds	75,000	0	0
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	14,651	(12,543)	(4,866)
Fund Balances at Beginning of Year	<u>37,155</u>	<u>58,813</u>	<u>15,793</u>
Fund Balance End of Year	<u>\$ 51,806</u>	<u>\$ 46,270</u>	<u>\$ 10,927</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, 2008

	Special Revenue Funds		
	Corrections Fund	Probation Fund	Canteen Fund
Revenues			
Taxes			
Gross Receipts	\$ 33,144	\$ 0	\$ 0
Federal Grants	0	0	0
State Grants	0	0	0
Charges for Service	0	0	0
Fines & Forfeitures	30,409	1,610	0
Interest Income	0	0	0
Miscellaneous	2,086	0	231
Total Revenues	<u>65,639</u>	<u>1,610</u>	<u>231</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	300,967	1,530	636
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>300,967</u>	<u>1,530</u>	<u>636</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(235,328)</u>	<u>80</u>	<u>(405)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	225,266	0	0
Loan Proceeds	0	0	0
Total Other Financing Sources (Uses)	<u>225,266</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	(10,062)	80	(405)
Fund Balances at Beginning of Year	<u>10,785</u>	<u>0</u>	<u>3,620</u>
Fund Balance End of Year	<u>\$ 723</u>	<u>\$ 80</u>	<u>\$ 3,215</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, 2008

	Special Revenue Funds		
	Law Enforcement Fund	Homeland Security Fund	JAG Fund
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	70,178	2,893
State Grants	26,035	0	0
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>26,035</u>	<u>70,178</u>	<u>2,893</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	12,803	0	2,893
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>12,803</u>	<u>0</u>	<u>2,893</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>13,232</u>	<u>70,178</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	(70,577)	0
Loan Proceeds	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>(70,577)</u>	<u>0</u>
Net Changes in Fund Balance	13,232	(399)	0
Fund Balances at Beginning of Year	<u>2,785</u>	<u>399</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 16,017</u>	<u>\$ 0</u>	<u>\$ 0</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, 2008

	Special Revenue Funds		
	Sheriffs Overtime Fund	Sheriffs Forfeiture Fund	Traffic Safety Fund
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	0
State Grants	0	0	0
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	1,645	0	0
Total Revenues	<u>1,645</u>	<u>0</u>	<u>0</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	233	614	0
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>233</u>	<u>614</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,412</u>	<u>(614)</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Loan Proceeds	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	1,412	(614)	0
Fund Balances at Beginning of Year	<u>0</u>	<u>614</u>	<u>2,771</u>
Fund Balance End of Year	<u>\$ 1,412</u>	<u>\$ 0</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, 2008

	Special Revenue Funds		
	DWI Fund	DARE Fund	Enhanced 911 Grant Fund
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	0	0
State Grants	1,829	0	0
Charges for Service	0	0	0
Fines & Forfeitures	0	485	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>1,829</u>	<u>485</u>	<u>0</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Culture & Recreation	0	0	0
Health & Welfare	1,829	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>1,829</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>485</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Loan Proceeds	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	0	485	0
Fund Balances at Beginning of Year	<u>0</u>	<u>808</u>	<u>783</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 1,293</u>	<u>\$ 783</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, 2008

	Special Revenue Funds		
	County		
	Farm & Range Fund	Environmental Fund	Beautification Fund
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 14,277	\$ 0
Federal Grants	5,448	0	0
State Grants	0	0	1,122
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	4,499	12,346	0
Total Revenues	<u>9,947</u>	<u>26,623</u>	<u>1,122</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	0	0	0
Public Works	31,000	23,926	0
Culture & Recreation	0	0	2,122
Health & Welfare	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>31,000</u>	<u>23,926</u>	<u>2,122</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(21,053)</u>	<u>2,697</u>	<u>(1,000)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	19,451	0	0
Loan Proceeds	0	0	0
Total Other Financing Sources (Uses)	<u>19,451</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	(1,602)	2,697	(1,000)
Fund Balances at Beginning of Year	<u>0</u>	<u>58,075</u>	<u>8</u>
Fund Balance End of Year	<u>\$ (1,602)</u>	<u>\$ 60,772</u>	<u>\$ (992)</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, 2008

	Special Revenue Funds		
	Health Grant Fund	County Indigent Fund	Flu Pandemic Fund
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 31,801	\$ 0
Federal Grants	0	0	0
State Grants	69,451	0	0
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>69,451</u>	<u>31,801</u>	<u>0</u>
Expenditures			
Current			
General Government	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Culture & Recreation	0	0	0
Health & Welfare	67,043	13,877	5,097
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>67,043</u>	<u>13,877</u>	<u>5,097</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,408</u>	<u>17,924</u>	<u>(5,097)</u>
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Loan Proceeds	0	0	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Changes in Fund Balance	2,408	17,924	(5,097)
Fund Balances at Beginning of Year	<u>25,281</u>	<u>43,264</u>	<u>10,942</u>
Fund Balance End of Year	<u>\$ 27,689</u>	<u>\$ 61,188</u>	<u>\$ 5,845</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, 2008

	Special Revenue	Capital Outlay	
	Hospital Fund	Day Care Center Fund	Court House Grant Fund
Revenues			
Taxes			
Gross Receipts	\$ 0	\$ 0	\$ 0
Federal Grants	0	74,018	0
State Grants	0	0	405,403
Charges for Service	0	0	0
Fines & Forfeitures	0	0	0
Interest Income	7,711	0	0
Miscellaneous	0	0	0
Total Revenues	7,711	74,018	405,403
Expenditures			
Current			
General Government	0	0	0
Public Safety	0	0	0
Public Works	0	0	0
Culture & Recreation	0	0	0
Health & Welfare	0	0	0
Capital Outlay	0	74,018	402,560
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	0	74,018	402,560
Excess (Deficiency) of Revenues Over Expenditures	7,711	0	2,843
Other Financing Sources (Uses)			
Transfers In/(Out)	0	0	0
Loan Proceeds	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Changes in Fund Balance	7,711	0	2,843
Fund Balances at Beginning of Year	133,503	0	0
Fund Balance End of Year	\$ 141,214	\$ 0	\$ 2,843

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, 2008

	<u>Total</u>
Revenues	
Taxes	
Gross Receipts	\$ 87,174
Federal Grants	295,037
State Grants	665,419
Charges for Service	18,054
Fines & Forfeitures	32,504
Interest Income	9,238
Miscellaneous	59,567
Total Revenues	<u>1,166,993</u>
Expenditures	
Current	
General Government	26,934
Public Safety	467,126
Public Works	54,926
Culture & Recreation	2,122
Health & Welfare	87,846
Capital Outlay	703,078
Debt Service	
Principal	44,453
Interest	4,221
Total Expenditures	<u>1,390,706</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(223,713)</u>
Other Financing Sources (Uses)	
Transfers In/(Out)	174,140
Loan Proceeds	75,000
Total Other Financing Sources (Uses)	<u>174,140</u>
Net Changes in Fund Balance	25,427
Fund Balances at Beginning of Year	<u>456,165</u>
Fund Balance End of Year	<u>\$ 481,592</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 10,000	\$ 10,000	\$ 15,404	\$ 5,404
Miscellaneous	0	0	720	720
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>16,124</u>	<u>6,124</u>
Expenditures				
General Government				
Personnel Services	8,320	8,320	8,320	0
Employee Benefits	1,227	1,227	1,219	8
Operating Expenses	<u>7,100</u>	<u>7,100</u>	<u>3,027</u>	<u>4,073</u>
Total Expenditures	<u>16,647</u>	<u>16,647</u>	<u>12,566</u>	<u>4,081</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,647)	(6,647)	3,558	10,205
Cash Balance Beginning of Year	<u>13,904</u>	<u>13,904</u>	<u>13,904</u>	<u>0</u>
Cash Balance End of Year	\$ <u>7,257</u>	\$ <u>7,257</u>	\$ <u>17,462</u>	\$ <u>10,205</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>3,558</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>3,558</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 2,200	\$ 2,200	\$ 2,650	\$ 450
Total Revenues	<u>2,200</u>	<u>2,200</u>	<u>2,650</u>	<u>450</u>
Expenditures				
General Government				
Operating Expenses	2,200	2,200	1,970	230
Total Expenditures	<u>2,200</u>	<u>2,200</u>	<u>1,970</u>	<u>230</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	680	680
Cash Balance Beginning of Year	<u>7,968</u>	<u>7,968</u>	<u>7,968</u>	<u>0</u>
Cash Balance End of Year	\$ <u>7,968</u>	\$ <u>7,968</u>	\$ <u>8,648</u>	\$ <u>680</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>680</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>680</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 0	\$ 0	\$ 8,188	\$ 8,188
State Grants	0	0	2,109	2,109
Interest Income	0	0	142	142
Miscellaneous	0	0	1,727	1,727
Total Revenues	<u>0</u>	<u>0</u>	<u>12,166</u>	<u>12,166</u>
Expenditures				
General				
Operating Expenses	10,000	12,300	12,398	(98)
Debt Service				
Principal	<u>0</u>	<u>0</u>	<u>5,198</u>	<u>(5,198)</u>
Total Expenditures	<u>10,000</u>	<u>12,300</u>	<u>17,596</u>	<u>(5,296)</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,000)	(12,300)	(5,430)	6,870
Cash Balance Beginning of Year	<u>28,606</u>	<u>28,606</u>	<u>28,606</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 18,606</u>	<u>\$ 16,306</u>	<u>\$ 23,176</u>	<u>\$ 6,870</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,430)	
Net Change in Taxes Receivable			<u>(236)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (5,666)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 60,858	\$ 60,858	\$ 60,858	\$ 0
Interest Income	0	0	684	684
Miscellaneous	0	0	2,506	2,506
Loan Proceeds	0	75,000	75,000	0
Total Revenues	<u>60,858</u>	<u>135,858</u>	<u>139,048</u>	<u>3,190</u>
Expenditures				
Public Safety				
Operating Expenses	43,968	43,968	22,738	21,230
Capital Outlay	0	75,000	75,000	0
Debt Services				
Principal	6,000	6,000	20,925	(14,925)
Interest	4,515	4,515	4,221	294
Total Expenditures	<u>54,483</u>	<u>129,483</u>	<u>122,884</u>	<u>6,599</u>
Excess (Deficiency) of Revenues Over Expenditures	6,375	6,375	16,164	9,789
Cash Balance Beginning of Year	<u>37,155</u>	<u>37,155</u>	<u>37,155</u>	<u>0</u>
Cash Balance End of Year	\$ <u>43,530</u>	\$ <u>43,530</u>	\$ <u>53,319</u>	\$ <u>9,789</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 16,164	
Net Change in Accounts Payable			(1,513)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 14,651</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 95,318	\$ 95,318	\$ 95,318	\$ 0
Federal Grant	0	142,500	142,500	0
Interest Income	700	700	701	1
Miscellaneous	0	0	33,806	33,806
Total Revenues	<u>96,018</u>	<u>238,518</u>	<u>272,325</u>	<u>33,807</u>
Expenditures				
Public Safety				
Operating Expenses	84,620	71,110	110,531	(39,421)
Debt Services				
Principal	18,330	18,284	18,330	(46)
Interest	323	369	0	369
Capital Outlay	0	151,500	151,500	0
Total Expenditures	<u>103,273</u>	<u>241,263</u>	<u>280,361</u>	<u>(39,098)</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,255)	(2,745)	(8,036)	(5,291)
Cash Balance Beginning of Year	<u>58,814</u>	<u>58,814</u>	<u>58,814</u>	<u>0</u>
Cash Balance End of Year	\$ <u>51,559</u>	\$ <u>56,069</u>	\$ <u>50,778</u>	\$ <u>(5,291)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,036)	
Net Change in Accounts Payable			(4,507)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (12,543)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 3,000	\$ 3,000	\$ 3,294	\$ 294
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>3,294</u>	<u>294</u>
Expenditures				
Public Safety				
Operating Expenses	<u>3,000</u>	<u>8,320</u>	<u>8,160</u>	<u>160</u>
Total Expenditures	<u>3,000</u>	<u>8,320</u>	<u>8,160</u>	<u>160</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(5,320)	(4,866)	454
Cash Balance Beginning of Year	<u>15,793</u>	<u>15,793</u>	<u>15,793</u>	<u>0</u>
Cash Balance End of Year	\$ <u>15,793</u>	\$ <u>10,473</u>	\$ <u>10,927</u>	\$ <u>454</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(4,866)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(4,866)</u>	

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

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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Taxes	\$ 30,000	\$ 30,000	\$ 33,144	\$ 3,144
Fees	45,000	45,000	28,372	16,628
Miscellaneous	0	0	2,086	(2,086)
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>63,602</u>	<u>17,686</u>
Expenditures				
Public Safety				
Personnel Services	148,200	168,200	167,829	371
Employee Benefits	22,609	22,609	22,357	252
Operating Expenses	82,003	88,702	109,538	(20,836)
Total Expenditures	<u>252,812</u>	<u>279,511</u>	<u>299,724</u>	<u>(20,213)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(177,812)</u>	<u>(204,511)</u>	<u>(236,122)</u>	<u>(31,611)</u>
Other Financing Sources (Uses)				
Transfer from General	225,000	225,000	225,266	225,266
Total Other Sources (Uses)	<u>225,000</u>	<u>225,000</u>	<u>225,266</u>	<u>225,266</u>
Net Change in Cash Balance	47,188	20,489	(10,856)	(31,345)
Cash Balance Beginning of Year	<u>10,784</u>	<u>10,784</u>	<u>10,784</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 57,972</u>	<u>\$ 31,273</u>	<u>\$ (72)</u>	<u>\$ (31,345)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (10,856)	
Net Change in Taxes Receivable			2,037	
Net Change in Accrued Salaries			(1,243)	
Net Change in Fund Balance-GAAP Basis			<u>\$ (10,062)</u>	

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

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-PROBATION FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fines	\$ 450	\$ 1,600	\$ 1,610	\$ 10
Total Revenues	<u>450</u>	<u>1,600</u>	<u>1,610</u>	<u>10</u>
Expenditures				
Public Safety				
Operating Expenses	450	1,600	1,530	70
Total Expenditures	<u>450</u>	<u>1,600</u>	<u>1,530</u>	<u>70</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	80	80
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>80</u>	\$ <u>80</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>80</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>80</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Miscellaneous	\$ 0	\$ 0	\$ 231	\$ 231
Total Revenues	<u>0</u>	<u>0</u>	<u>231</u>	<u>231</u>
Expenditures				
Public Safety				
Operating Expenses	800	800	584	216
Total Expenditures	<u>800</u>	<u>800</u>	<u>584</u>	<u>216</u>
Excess (Deficiency) of Revenues Over Expenditures	(800)	(800)	(353)	447
Cash Balance Beginning of Year	<u>3,620</u>	<u>3,620</u>	<u>3,620</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,820</u>	<u>\$ 2,820</u>	<u>\$ 3,267</u>	<u>\$ 447</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (353)	
Net Change in Accounts Payable			<u>(52)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (405)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 23,000	\$ 23,000	\$ 26,035	\$ 3,035
Total Revenues	<u>23,000</u>	<u>23,000</u>	<u>26,035</u>	<u>3,035</u>
Expenditures				
Public Safety				
Operating Expenses	15,000	15,000	12,762	2,238
Capital Outlay	<u>8,600</u>	<u>8,600</u>	<u>0</u>	<u>8,600</u>
Total Expenditures	<u>23,600</u>	<u>23,600</u>	<u>12,762</u>	<u>10,838</u>
Excess (Deficiency) of Revenues Over Expenditures	(600)	(600)	13,273	13,873
Cash Balance Beginning of Year	<u>2,785</u>	<u>2,785</u>	<u>2,785</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,185</u>	<u>\$ 2,185</u>	<u>\$ 16,058</u>	<u>\$ 13,873</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 13,273	
Net Change of Accounts Payable			<u>(41)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 13,232</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 70,178	\$ 70,178	\$ 0
Total Revenues	<u>0</u>	<u>70,178</u>	<u>70,178</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 Over Expenditures	<u>0</u>	<u>70,178</u>	<u>70,178</u>	<u>0</u>
Other Financing Sources & Uses				
Transfer Out	0	(70,577)	(70,577)	0
Total Other Financing Sources & Uses	<u>0</u>	<u>(70,577)</u>	<u>(70,577)</u>	<u>0</u>
Net Change in Cash Balance	0	(399)	(399)	
Cash Balance Beginning of Year	<u>399</u>	<u>399</u>	<u>399</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 399</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (399)	
Net Change in Fund Balance-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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Public Safety				
Operating Expenses	2,893	2,893	2,893	0
Total Expenditures	<u>2,893</u>	<u>2,893</u>	<u>2,893</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,893)	(2,893)	(2,893)	0
Cash Balance Beginning of Year	<u>2,893</u>	<u>2,893</u>	<u>2,893</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			\$ (2,893)	
Net Change in Deferred Revenue			<u>2,893</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 OVERTIME FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 10,000	\$ 10,000	\$ 4,926	\$ (5,074)
Miscellaneous	0	0	1,946	1,946
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>6,872</u>	<u>(3,128)</u>
Expenditures				
Public Safety				
Personnel Services	4,773	4,773	216	4,557
Employee Benefits	0	0	17	(17)
Total Expenditures	<u>4,773</u>	<u>4,773</u>	<u>233</u>	<u>4,540</u>
Excess (Deficiency) of Revenues Over Expenditures	5,227	5,227	6,639	1,412
Cash Balance Beginning of Year	<u>(5,227)</u>	<u>(5,227)</u>	<u>(5,227)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>1,412</u>	\$ <u>1,412</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,639	
Net Change in Due from Grantor			<u>(5,227)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>1,412</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-SHERIFFS FORFEITURE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- 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	614	614	614	0
Total Expenditures	<u>614</u>	<u>614</u>	<u>614</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(614)	(614)	(614)	0
Cash Balance Beginning of Year	<u>614</u>	<u>614</u>	<u>614</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			\$ (614)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(614)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- 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	0	2,771	0	2,771
Total Expenditures	<u>0</u>	<u>2,771</u>	<u>0</u>	<u>2,771</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(2,771)	0	2,771
Cash Balance Beginning of Year	<u>2,771</u>	<u>2,771</u>	<u>2,771</u>	<u>0</u>
Cash Balance End of Year	\$ <u>2,771</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			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ 0	

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

STATE OF NEW MEXICO
DE BACA COUNTY
SPECIAL REVENUE FUND-DWI FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fines & Forfeitures	\$ 0	\$ 1,830	\$ 1,830	\$ 0
Total Revenues	<u>0</u>	<u>1,830</u>	<u>1,830</u>	<u>0</u>
Expenditures				
Public Safety				
Operating Expenses	0	1,830	1,830	0
Total Expenditures	<u>0</u>	<u>1,830</u>	<u>1,830</u>	<u>0</u>
Excess (Deficiency) of Revenues 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			\$ 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-DARE FUND
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fines	\$ 0	\$ 0	\$ 485	\$ 485
Total Revenues	<u>0</u>	<u>0</u>	<u>485</u>	<u>485</u>
Expenditures				
Public Safety				
Operating Expenses	808	808	0	808
Total Expenditures	<u>808</u>	<u>808</u>	<u>0</u>	<u>808</u>
Excess (Deficiency) of Revenues Over Expenditures	(808)	(808)	485	1,293
Cash Balance Beginning of Year	<u>808</u>	<u>808</u>	<u>808</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,293</u>	<u>\$ 1,293</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>485</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>485</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- 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 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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 7,050	\$ 7,050	\$ 6,687	\$ (363)
Miscellaneous	0	0	4,499	4,499
Total Revenues	<u>7,050</u>	<u>7,050</u>	<u>11,186</u>	<u>4,136</u>
Expenditures				
Public Works				
Operating Expenses	31,000	31,000	31,000	0
Total Expenditures	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,950)</u>	<u>(23,950)</u>	<u>(19,814)</u>	<u>4,136</u>
Other Financing Sources (Uses)				
Transfer from General Fund	25,189	25,189	19,451	(5,738)
Total Other Sources (Uses)	<u>25,189</u>	<u>25,189</u>	<u>19,451</u>	<u>(5,738)</u>
Net Change in Fund Balance	1,239	1,239	(363)	(1,602)
Cash Balance Beginning of Year	<u>(1,239)</u>	<u>(1,239)</u>	<u>(1,239)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(1,602)</u>	\$ <u>(1,602)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (19,814)	
Net Change in Due from Grantor			<u>(1,239)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(21,053)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 10,000	\$ 10,000	\$ 15,255	\$ 5,255
Miscellaneous	0	0	12,346	12,346
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>27,601</u>	<u>17,601</u>
Expenditures				
Public Works				
Operating Expenses	10,000	23,926	23,926	0
Total Expenditures	<u>10,000</u>	<u>23,926</u>	<u>23,926</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(13,926)	3,675	17,601
Cash Balance Beginning of Year	<u>56,448</u>	<u>56,448</u>	<u>56,448</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 56,448</u>	<u>\$ 42,522</u>	<u>\$ 60,123</u>	<u>\$ 17,601</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,675	
Net Change in Taxes Receivable			(978)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,697</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 0	\$ 0	\$ 1,122	\$ 1,122
Total Revenues	<u>0</u>	<u>0</u>	<u>1,122</u>	<u>1,122</u>
Expenditures				
Culture & Recreation				
Operating Expenses	0	1,100	1,668	(568)
Total Expenditures	<u>0</u>	<u>1,100</u>	<u>1,668</u>	<u>(568)</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1,100)	(546)	554
Cash Balance Beginning of Year	<u>8</u>	<u>8</u>	<u>8</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8</u>	<u>\$ (1,092)</u>	<u>\$ (538)</u>	<u>\$ 554</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (546)	
Net Changes in Accounts Payable			<u>(454)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,000)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grants	\$ 70,328	\$ 70,328	\$ 69,451	\$ (877)
Total Revenues	<u>70,328</u>	<u>70,328</u>	<u>69,451</u>	<u>(877)</u>
Expenditures				
Health & Welfare				
Personnel Services	0	0	34,800	(34,800)
Employee Benefits	0	0	2,670	(2,670)
Operating Expenses	<u>95,609</u>	<u>95,609</u>	<u>29,492</u>	<u>66,117</u>
Total Expenditures	<u>95,609</u>	<u>95,609</u>	<u>66,962</u>	<u>28,647</u>
Excess (Deficiency) of Revenues Over Expenditures	(25,281)	(25,281)	2,489	27,770
Cash Balance Beginning of Year	<u>25,281</u>	<u>25,281</u>	<u>25,281</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>27,770</u>	\$ <u>27,770</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,489	
Net Change in Accounts Payable			<u>(81)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>2,408</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Gross Receipts Tax	\$ 22,000	\$ 22,000	\$ 32,743	\$ 10,743
Total Revenues	<u>22,000</u>	<u>22,000</u>	<u>32,743</u>	<u>10,743</u>
Expenditures				
Health & Welfare				
Operating Expenses	22,000	22,000	13,876	8,124
Total Expenditures	<u>22,000</u>	<u>22,000</u>	<u>13,876</u>	<u>8,124</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	18,867	18,867
Cash Balance Beginning of Year	<u>40,323</u>	<u>40,323</u>	<u>40,323</u>	<u>0</u>
Cash Balance End of Year	\$ <u>40,323</u>	\$ <u>40,323</u>	\$ <u>59,190</u>	\$ <u>18,867</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 18,867	
Net Change in Taxes Receivable			<u>(943)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>17,924</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- 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				
Health & Welfare				
Operating Expenses	0	10,942	5,097	5,845
Total Expenditures	<u>0</u>	<u>10,942</u>	<u>5,097</u>	<u>5,845</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(10,942)	(5,097)	5,845
Cash Balance Beginning of Year	<u>10,942</u>	<u>10,942</u>	<u>10,942</u>	<u>0</u>
Cash Balance End of Year	\$ <u>10,942</u>	\$ <u>0</u>	\$ <u>5,845</u>	\$ <u>5,845</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>(5,097)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(5,097)</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, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 7,711	\$ 7,711
Total Revenues	<u>0</u>	<u>0</u>	<u>7,711</u>	<u>7,711</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 Over Expenditures	0	0	7,711	7,711
Cash Balance Beginning of Year	<u>133,503</u>	<u>133,503</u>	<u>133,503</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 133,503</u>	<u>\$ 133,503</u>	<u>\$ 141,214</u>	<u>\$ 7,711</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>7,711</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>7,711</u>	

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

STATE OF NEW MEXICO
DE BACA COUNTY
 CAPITAL OUTLAY-DAY CARE CENTER
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 74,018	\$ 74,018	\$ 74,018	\$ 0
Total Revenues	<u>74,018</u>	<u>74,018</u>	<u>74,018</u>	<u>0</u>
Expenditures				
Public Works				
Capital Outlay	74,018	74,018	74,018	0
Total Expenditures	<u>74,018</u>	<u>74,018</u>	<u>74,018</u>	<u>0</u>
Excess (Deficiency) of Revenues 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			\$ 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
 CAPITAL OUTLAY-COURT HOUSE
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2008

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 617,437	\$ 617,437	\$ 405,403	\$ (212,034)
Total Revenues	<u>617,437</u>	<u>617,437</u>	<u>405,403</u>	<u>(212,034)</u>
Expenditures				
Public Works				
Capital Outlay	617,437	617,437	402,560	214,877
Total Expenditures	<u>617,437</u>	<u>617,437</u>	<u>402,560</u>	<u>214,877</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	2,843	2,843
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>\$ 2,843</u>	<u>\$ 2,843</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,843	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,843</u>	

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

STATE OF NEW MEXICO
DE BACA COUNTY
Schedule of Joint Powers Agreements
For the Year Ended June 30, 2008

E-911 Services

Participants: De Baca County and Village of Fort Sumner

Responsible Party: Village of Fort Sumner

Description: De Baca County and Village of Fort Sumner have agreed to the need for a consolidated E-911 Communications System and Law Enforcement Communications System.

Period: August 3, 2006 to June 30, 2010 with the option to renew on a year to year basis.

Project Costs: Undeterminable

County Contribution: None

Audit Responsibility: Village of Fort Sumner

De Baca County Collection Center

Participants: De Baca County and Village of Fort Sumner

Responsible Party: De Baca County and Village of Fort Sumner

Description: This agreement was entered into to exercise their common power to design, construct, operate, and maintain the De Baca County Collection Center.

Period: Entered into November 13, 2007 and shall run in perpetuity or until its termination.

Project Costs: Undeterminable

County Contribution: Provide funding as available from the County Environmental GRT and a county wide solid waste fee to support operations and maintenance of the collection center.

Audit Responsibility: De Baca County and Village of Fort Sumner

De'Aun Willoughby CPA, PC

Certified Public Accountant

P.O. Box 223 Melrose, NM 88124

(575) 253-4313

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, each major fund, the aggregate remaining fund information, the budgetary comparisons for the General Fund and Major Special Revenue Funds, and the combining and individual funds presented as supplemental information of DE BACA COUNTY (County), as of and for the year ended June 30, 2008, and have issued our report thereon dated June 10, 2011. 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.

We did not audit the financial statements of the component units, 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion 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, or 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 deficiencies 04-01 and 04-18 described in the accompanying schedule of findings and responses 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. We believe that the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of the audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 03-01, 04-13, 04-17, 04-19, 05-01, 07-01, 08-1, 08-2 and 08-3.

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

This report is intended solely for the information and use of 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 parties.

 CPA PC

June 10, 2011

Prior Year Audit Findings

		<u>Status</u>
03-01	Property Tax (Ten Year) History	Repeated
04-01	Incorrect Cash Balances	Repeated
04-13	Budget Overruns	Repeated & Modified
04-17	Depreciation of Capital Assets	Repeated
04-18	Capital Assets	Repeated
04-19	Late Audit Report	Repeated
05-01	Canteen Fund	Repeated

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 eight of the required ten years' information.

04-01 Incorrect Cash Balances and DFA Reports Condition

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

Criteria

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

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 two departments must use the same software or create a system to include the outstanding checks in the Treasurer's reports and DFA reports.

Response

The County is pursuing financing to purchase and implement the expenditures module of the Treasurer's software.

04-13 Budget Overruns

Condition

The County had budget overruns in the Road Fund for \$(621,711), Correction Fund of \$(20,213), the Valley Fire Fund for \$(39,098), the County Reserve Fund of \$(5,296) and the Beautification Grant of \$(568).

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 June 13, 2011.

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 County 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.

08-1 Cash Appropriations in Excess of Available Cash Balances

Condition

The County maintained a deficit budget in excess of available cash balance in the Beautification Fund of \$(1,092).

Criteria

Section 2.2.210. (P) (1), NMAC, requires all funds be budgeted by the local governing body and submitted to the DFA for approval. Cash balances re-budgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Effect

The County will be required to supplement this budget deficit in this fund with cash reserves from other funds. This supplement may lead to financial difficulties and deplete the budget in other funds.

Cause

The County lacks a proper procedure to ensure that sufficient beginning cash balances exist to absorb budget deficits later in the fiscal year.

Recommendation

The County should review the budget for future years to insure that all funds have adequate budget authority for budgeted expenditures. Greater attention should be given to the budget monitoring process and the end of the year cash balance estimates.

Response

The County will implement a policy whereby they will review and compare the June 30th reconciled cash balances in each fund to ensure that budgeted cash balances are sufficient for the fund's purposes. If this review reveals a that there is not sufficient cash to balance the budget, budget amendments will be made.

08-2 Bank Accounts - Reconciliations were not done or were incorrect Condition

The County is not able to reconcile the bank statements to the general ledger.

Criteria

"All bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by the business manager and/or assistant superintendent from business administration." N.M. Admin. Code tit. 6, § 20.2.14(K). "Clearing accounts shall reconcile to a zero balance at the end of each month. Bank reconciliations for clearing accounts shall be completed on a monthly basis." N.M. Admin. Cod tit. 6, § 20.2.14(G).

Effect

The bank statements could not be reconciled to the general ledger.

Cause

The outstanding checks issued by the Clerk's office are not included in the Treasurer's general ledger. The Treasurer's office and the Clerk's office use different software that does not allow the outstanding checks issued by the Clerk's office to be included in the Treasurer's general ledger.

Recommendation

The County must reconcile the bank statements to the general ledger. Personnel should apply adequate time to this very important process. Adjusting the general ledger to audited cash balances should resolve the past errors and provide personnel an opportunity to reconcile the statements correctly each month.

Response

We should use the same software to resolve the issue.

08-3 Dispatch equipment purchased by the state Condition

The Dispatch Department has received an estimated \$1,000,000 in equipment in past years for the state to begin the 911 Emergency System. The equipment has not been listed in the capital assets and depreciation as if should be.

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 effect of not including and estimated \$1,000,000 in capital assets is a substantial understatement in the financial statements.

Cause

The invoices received from the State were not provided to the auditor after several requests for the invoices.

Recommendation

All equipment purchased on behalf of the County should be included in the financial statements. Adequate documentation each time equipment is received should be provided to the Clerk's office to include on the capital asset inventory and depreciation schedule.

Response

We will obtain the documentation immediately.

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 June 10, 2011. In attendance was Becky Harris-Commissioner, Laurie Pettigrew-County Clerk, Randy Ballard-County Treasurer, Melinda Patterson-County Administrator and De'Aun Willoughby, CPA.