

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2007**



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## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**OFFICIAL ROSTER**  
**JUNE 30, 2007**

<u><b>Name</b></u>		<u><b>Title</b></u>
	<u><b>Board of County Commissioners</b></u>	
James (Bozo) Cordova		Chairman
Glenn G. Gonzales		Vice Chairman
Richard L. Chavez		Member
	<u><b>Elected Officials</b></u>	
Ramona Dodge		County Assessor
Adam J. Gallegos		County Clerk
Robert G. Chavez		County Sheriff
Marcos Salas		County Treasurer
Jose (G.H.) Casuas		Probate Judge
	<u><b>Administrative Officials</b></u>	
Andy Madrid		County Manager

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**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2007**  
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**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

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**FINANCIAL SECTION**

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# Griego Professional Services, LLC

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Hector H. Balderas  
New Mexico State Auditor  
The Board of Guadalupe County Commissioners  
Guadalupe County  
Santa Rosa, New Mexico

We have audited the accompanying financial statements of the governmental activities, its discretely presented component unit, each major fund, budgetary comparisons for the general fund and major special revenue funds and the aggregate remaining fund information of Guadalupe County, New Mexico, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's major capital project fund, nonmajor governmental and fiduciary funds, including budgetary comparisons, presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of Guadalupe County, New Mexico's, management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of Guadalupe County Hospital, a discretely presented component unit of Guadalupe County, which statements reflect total assets of \$2,767,345 as of June 30, 2007, and total revenues of \$3,698,273 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Guadalupe County Hospital, is based solely on the report of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 relating to capital assets, we were unable to form an opinion regarding the amounts at which property and equipment and accumulated depreciation were recorded in the accompanying balance sheet at June 30, 2007 or the amount of depreciation expense for the year then ended.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the governmental activities of Guadalupe County, New Mexico, as of June 30, 2007, or the changes in financial position for the year then ended.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, its discretely presented component unit, each major fund, and the aggregate remaining fund information of Guadalupe County, New Mexico, as of June 30, 2007, and the respective changes in financial position and cash flows 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 major capital project funds, each nonmajor governmental and fiduciary fund of Guadalupe County, New Mexico as of June 30, 2007, and the respective changes in financial position thereof and the respective budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued a report dated April 17, 2009 on our consideration of Guadalupe County, New Mexico'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.

For the year ended June 30, 2007, the County has not presented the *Management's Discussion and Analysis* that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

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



Griego Professional Services, LLC  
Albuquerque, New Mexico  
April 17, 2009

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**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

Exhibit A-1

	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>ASSETS</b>		
Current Assets		
Cash and temporary investments	\$ 2,740,403	\$ 2,194,871
Receivables (net of allowance for uncollectibles)	489,009	369,250
Supplies inventory and other assets	-	132,925
Total Current Assets	3,229,412	2,697,046
Noncurrent Assets		
Restricted assets:		
Capital assets	22,542,881	456,115
Less: accumulated depreciation	(11,218,670)	(385,816)
Total capital assets	11,324,211	70,299
Total noncurrent Assets	11,324,211	70,299
Total assets	\$ 14,553,623	\$ 2,767,345

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

Exhibit A-1

	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 188,917	\$ 106,216
Accrued payroll	37,341	71,744
Accrued interest	6,258	
Estimated third party settlement	-	57,510
Current portion of long-term obligations	113,048	-
Total Current Liabilities:	345,564	235,470
Noncurrent liabilities:		
Compensated Absences	50,663	-
Noncurrent portion of long-term obligations	783,340	-
Total liabilities	1,179,567	235,470
Invested in capital assets, net of related debt	10,427,823	70,299
Restricted for:		
Capital projects	723,183	-
Unrestricted	2,223,050	2,461,576
Total net assets	13,374,056	2,531,875
Total liabilities and net assets	\$ 14,553,623	\$ 2,767,345

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 GUADALUPE COUNTY  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2007

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 3,951,162	\$ 52,376	\$ 1,220,120	\$ 1,190,448
Public safety	383,303	316,026	509,690	-
Culture and recreation	34,573	-	10,328	-
Health and welfare	500,240	70	308,841	816,856
Public works	387,891	-	136,568	-
Interest relating to long term debt	25,523	-	-	-
Total primary government	<u>5,282,692</u>	<u>368,472</u>	<u>2,185,547</u>	<u>2,007,304</u>
Component unit:				
Guadalupe County Hospital	<u>3,379,580</u>	<u>3,023,376</u>	<u>107,558</u>	<u>-</u>
Total component unit	<u>\$ 3,379,580</u>	<u>\$ 3,023,376</u>	<u>\$ 107,558</u>	<u>\$ -</u>

**General Revenues:**

- Property taxes
- Gross receipts taxes
- Motor vehicle and fuel taxes
- Mill levy
- Other taxes
- Miscellaneous revenue
- Unrestricted investment earnings (loss)
- Sole community provider
- Contribution for future hospital site road construction
- Loss on disposal of fixed assets

Total general revenues and transfers

Change in net assets

Beginning net assets

Ending net assets

The accompanying notes are an integral part of these financial statements

<b>Net (Expenses) Revenue and Changes in Net Assets</b>	
<b>Governmental Activities</b>	<b>Component Unit</b>
\$ (1,488,218)	\$ -
442,413	-
(24,245)	-
625,527	-
(251,323)	-
(25,523)	-
(721,369)	-
-	(248,646)
\$ -	\$ (248,646)
1,737,834	-
283,703	-
227,202	-
-	383,115
52	-
108,854	-
65,763	-
-	184,224
-	(100,266)
-	(2,750)
2,423,408	464,323
1,702,039	215,677
11,672,017	2,316,198
\$ 13,374,056	\$ 2,531,875

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2007**

	General Fund	Road
<b>ASSETS</b>		
<i>Current:</i>		
Cash and temporary investments	\$ 731,174	\$ 314,981
Accounts receivable		
Property taxes	313,879	-
Intergovernmental	21,220	53,136
Other receivables	4,389	-
Interfund balances	111,219	-
<i>Total current assets</i>	\$ 1,181,881	\$ 368,117
 <b>LIABILITIES AND FUND BALANCE</b>		
<i>Current Liabilities:</i>		
Accounts payable	\$ 15,918	\$ 50
Accrued payroll	25,656	6,515
Interfund balances	-	-
Deferred revenue - property taxes	254,656	-
<i>Total current liabilities</i>	296,230	6,565
 <i>Fund balance:</i>		
Reserved		
Reserved for capital projects	-	-
Unreserved		
Undesignated, reported in		
General fund	885,651	-
Special revenue funds	-	361,552
<i>Total fund balance</i>	885,651	361,552
<i>Total liabilities and fund balance</i>	\$ 1,181,881	\$ 368,117

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

<u>Correction Fees</u>	<u>Environmental Gross Receipts</u>	<u>Capital Project</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 23	\$ 300,251	\$ 668,426	\$ 725,548	\$ 2,740,403
-	-	-	-	313,879
-	2,930	57,005	26,619	160,910
9,831	-	-	-	14,220
-	-	-	-	111,219
<u>\$ 9,854</u>	<u>\$ 303,181</u>	<u>\$ 725,431</u>	<u>\$ 752,167</u>	<u>\$ 3,340,631</u>
\$ 52,155	\$ 1,818	\$ 105,450	\$ 13,526	\$ 188,917
-	1,428	-	3,742	37,341
-	-	-	111,219	111,219
-	-	-	-	254,656
<u>52,155</u>	<u>3,246</u>	<u>105,450</u>	<u>128,487</u>	<u>592,133</u>
-	-	619,981	-	619,981
-	-	-	-	885,651
<u>(42,301)</u>	<u>299,935</u>	<u>-</u>	<u>623,680</u>	<u>1,242,866</u>
<u>(42,301)</u>	<u>299,935</u>	<u>619,981</u>	<u>623,680</u>	<u>2,748,498</u>
<u>\$ 9,854</u>	<u>\$ 303,181</u>	<u>\$ 725,431</u>	<u>\$ 752,167</u>	<u>\$ 3,340,631</u>

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

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STATE OF NEW MEXICO

GUADALUPE COUNTY

GOVERNMENTAL FUNDS

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS

JUNE 30, 2007

Exhibit B-1

(Page 2 of 2)

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

Fund balances - total governmental funds	\$ 2,748,498
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,324,211
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	254,656
Accrued interest expense	(6,258)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
General obligation and revenue bonds	(896,388)
Compensated absences	(50,663)
	<hr/>
Total Net Assets	\$ <u>13,374,056</u>

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	General Fund	Road
<i>Revenues:</i>		
Property taxes	\$ 1,024,692	-
Gross receipts taxes	224,228	-
Other taxes	52	384,031
State grants	455,894	532,060
Federal grants	-	-
Licenses and fees	-	-
Charges for services	14,432	-
Investment income	22,927	3,901
Miscellaneous	124,714	-
<i>Total revenues</i>	1,866,939	919,992
<i>Expenditures:</i>		
Current		
General Government	1,632,602	-
Public safety	41,367	90,588
Culture and recreation	-	-
Health and welfare	-	-
Public works	7,760	725,917
Capital outlay	312,515	-
Debt service		
Principal	9,585	-
Interest	-	-
<i>Total expenditures</i>	2,003,829	816,505
<i>Excess (deficiency) of revenues over expenditures</i>	(136,890)	103,487
<i>Other financing sources (uses):</i>		
Operating transfers in (out)	(59,786)	-
<i>Total other financing sources (uses)</i>	(59,786)	-
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(196,676)	103,487
<i>Fund balances - beginning of year</i>	1,082,327	258,065
<i>Fund balances - end of year</i>	\$ 885,651	\$ 361,552

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



Correction Fees	Environmental Gross Receipts	Capital Project	Nonmajor Governmental Funds	Total Governmental Funds
-	-	-	\$ -	\$ 1,024,692
-	118,011	295,348	230,363	867,950
-	-	-	26	384,109
29,813	3,561	1,149,614	1,385,738	3,556,680
-	-	-	9,792	9,792
229,595	-	-	37,392	266,987
86,431	75,337	465,463	3,747	645,410
1,222	1,676	-	11,449	41,175
-	-	-	16,655	141,369
<u>347,061</u>	<u>198,585</u>	<u>1,910,425</u>	<u>1,695,162</u>	<u>6,938,164</u>
-	108,662	1,058,908	20,605	2,820,777
439,754	-	-	120,898	692,607
-	-	-	34,573	34,573
-	-	-	580,005	580,005
-	-	-	388,329	1,122,006
-	-	448,639	314,620	1,075,774
5,000	-	103,202	8,632	126,419
-	-	17,910	1,355	19,265
<u>444,754</u>	<u>108,662</u>	<u>1,628,659</u>	<u>1,469,017</u>	<u>6,471,426</u>
<u>(97,693)</u>	<u>89,923</u>	<u>281,766</u>	<u>226,145</u>	<u>466,738</u>
<u>17,400</u>	<u>-</u>	<u>(24,049)</u>	<u>66,435</u>	<u>-</u>
<u>17,400</u>	<u>-</u>	<u>(24,049)</u>	<u>66,435</u>	<u>-</u>
(80,293)	89,923	257,717	292,580	466,738
<u>37,992</u>	<u>210,012</u>	<u>362,264</u>	<u>331,100</u>	<u>2,281,760</u>
<u>\$ (42,301)</u>	<u>\$ 299,935</u>	<u>\$ 619,981</u>	<u>\$ 623,680</u>	<u>\$ 2,748,498</u>

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

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**STATE OF NEW MEXICO**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

Exhibit B-2  
(Page 2 of 2)

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

Net change in fund balances - total governmental funds	\$	466,738
--	----	---------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital expenditures		1,907,045
Depreciation expense		(831,309)

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

Change in deferred revenue related to the property taxes receivable		46,567
---	--	--------

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Capital lease retirements		9,585
Increase in accrued interest payable		(6,258)
Increase in accrued compensated absences		(7,163)
Principal payments on bonds		116,834
		116,834
Changes in Net Assets	\$	1,702,039

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

## STATE OF NEW MEXICO

Exhibit C-1

## GUADALUPE COUNTY

## GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	1,184,535	\$ 1,184,535
Intergovernmental	870,568	925,472	452,016	(473,456)
Licenses and fees	-	-	-	-
Charges for services	17,500	17,500	14,432	(3,068)
Investment income	9,000	9,000	18,538	9,538
Miscellaneous	130,001	130,001	123,425	(6,576)
<i>Total revenues</i>	<u>1,027,069</u>	<u>1,081,973</u>	<u>1,792,946</u>	<u>710,973</u>
<i>Expenditures:</i>				
<i>Current</i>				
General Government	1,674,588	1,734,973	1,605,079	129,894
Public safety	28,800	38,618	36,901	1,717
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	8,000	8,000	7,760	240
Capital outlay	631,061	612,843	20,983	591,860
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,342,449</u>	<u>2,394,434</u>	<u>1,670,723</u>	<u>723,711</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,315,380)</u>	<u>(1,312,461)</u>	<u>122,223</u>	<u>1,434,684</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	59,786	(59,786)	(59,786)	-
Bond proceeds	-	-	-	-
Designated cash	1,255,594	1,372,247	-	(1,372,247)
<i>Total other financing sources (uses)</i>	<u>1,315,380</u>	<u>1,312,461</u>	<u>(59,786)</u>	<u>(1,372,247)</u>
<i>Net change in fund balances</i>	-	-	62,437	62,437
<i>Fund balances - beginning of year</i>	-	-	779,956	779,956
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 842,393</u>	<u>\$ 842,393</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			73,993	
Expenditure accruals			(333,106)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (196,676)</u>	

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

## STATE OF NEW MEXICO

Exhibit C-2

## GUADALUPE COUNTY

## ROAD FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	343,160	\$ 343,160
Intergovernmental	397,825	548,290.00	555,990	7,700
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	2,000	2,000	3,901	1,901
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>399,825</u>	<u>550,290</u>	<u>903,051</u>	<u>352,761</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	145,000	111,674	91,276	20,398
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	715,172	898,963	727,817	171,146
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>860,172</u>	<u>1,010,637</u>	<u>819,093</u>	<u>191,544</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(460,347)</u>	<u>(460,347)</u>	<u>83,958</u>	<u>544,305</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	460,347	460,347	-	(460,347)
<i>Total other financing sources (uses)</i>	<u>460,347</u>	<u>460,347</u>	<u>-</u>	<u>(460,347)</u>
<i>Net change in fund balances</i>	-	-	83,958	83,958
<i>Fund balances - beginning of year</i>	-	-	231,023	231,023
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,981</u>	<u>\$ 314,981</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			16,941	
Expenditure accruals			<u>2,588</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 103,487</u>	

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

## STATE OF NEW MEXICO

Exhibit C-3

## GUADALUPE COUNTY

## CORRECTION FEES FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,000	20,000	29,813	9,813
Licenses and fees	120,000	190,696	219,764	29,068
Charges for services	164,000	164,000	86,431	(77,569)
Investment income	1,000	1,000	1,222	222
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>305,000</u>	<u>375,696</u>	<u>337,230</u>	<u>(38,466)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	345,000	415,696	411,474	4,222
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	5,000	5,000	5,000	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>350,000</u>	<u>420,696</u>	<u>416,474</u>	<u>4,222</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(45,000)</u>	<u>(45,000)</u>	<u>(79,244)</u>	<u>(34,244)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	17,400	17,400
Bond proceeds	-	-	-	-
Designated cash	45,000	45,000	-	(45,000)
<i>Total other financing sources (uses)</i>	<u>45,000</u>	<u>45,000</u>	<u>17,400</u>	<u>(27,600)</u>
<i>Net change in fund balances</i>	-	-	(61,844)	(61,844)
<i>Fund balances - beginning of year</i>	-	-	61,867	61,867
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 23</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			9,831	
Expenditure accruals			(28,280)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (80,293)</u>	

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

## STATE OF NEW MEXICO

Exhibit C-4

## GUADALUPE COUNTY

## ENVIRONMENTAL GROSS RECEIPTS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	121,607	\$ 121,607
Intergovernmental	188,837	192,399	3,561	(188,838)
Licenses and fees	-	-	-	-
Charges for services	65,000	65,000	75,337	10,337
Investment income	1,000	1,000	1,676	676
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>254,837</u>	<u>258,399</u>	<u>202,181</u>	<u>(56,218)</u>
<i>Expenditures:</i>				
<i>Current</i>				
General Government	310,763	314,325	108,637	205,688
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>310,763</u>	<u>314,325</u>	<u>108,637</u>	<u>205,688</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(55,926)</u>	<u>(55,926)</u>	<u>93,544</u>	<u>149,470</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	55,926	55,926	-	(55,926)
<i>Total other financing sources (uses)</i>	<u>55,926</u>	<u>55,926</u>	<u>-</u>	<u>(55,926)</u>
<i>Net change in fund balances</i>	-	-	93,544	93,544
<i>Fund balances - beginning of year</i>	-	-	206,707	206,707
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,251</u>	<u>\$ 300,251</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(3,596)	
Expenditure accruals			(25)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 89,923</u>	

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

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**STATE OF NEW MEXICO** Exhibit E-1  
**GUADALUPE COUNTY**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2007**

	Agency Funds
<b>ASSETS</b>	
Property taxes recievable	393,854
<i>Total assets</i>	\$ 393,854
 <b>LIABILITIES</b>	
Due to other taxing units	\$ 393,854
<i>Total liabilities</i>	\$ 393,854

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

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**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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

Guadalupe County is a political sub-division of the State of New Mexico established and regulated by the constitution of the State of New Mexico. The County operates under a commission-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, planning and zoning, property assessment, tax collection and general administrative services.

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

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

The County implemented the provisions of GASB No.'s 34, 37 and 38 effective July 1, 2002.

**A. Financial Reporting Entity**

GASB Statement No. 14 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the County is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the County may, without the approval or consent of another government entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The County also has one *component unit*, as defined by GASB Statement No. 14 and / or GASB Statement No. 39. The component unit which the County is financially accountable for is the Guadalupe County Hospital. Separate financial statements for the Hospital may be obtained by contacting Guadalupe County Hospital, 535 Lake Drive, Santa Rosa, NM 88435. There are no other primary governments with which the County Commissioners are financially accountable. There are no other primary governments with which the County has a significant relationship.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities and changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Ad valorem taxes (property taxes), and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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

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

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

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

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

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

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

The *Correction Fee Fund* is authorized by section 33-3-25, NMSA as amended by Chapter 27, Laws of 1985. Revenue source is from costs assessed in traffic offences committed within the County. Funds are used to defray expense of housing prisoners.

The *Environmental Gross Receipts Tax Fund* is authorized by section 7-20E-17, NMSA to account for a County environmental services gross receipts tax. The County is required to dedicate the entire revenue produced by the tax for the acquisition, construction, operation and maintenance of solid waste facilities, water facilities, sewer systems, and related facilities.

The *Capital Projects Fund* accounts for the construction activities related to the renovation of the County Courthouse Building.

Additionally, the government reports the following fund types:

The *fiduciary funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the County's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the County's general revenues. Program revenues are categorized as (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (b) program-specific operating grants, which includes revenues received from federal and state sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and other items not properly included among program revenues.

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

The County reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The County does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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

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

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

State statutes authorize the County to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Investments for the County are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. In the government-wide and governmental fund financial statements, delinquent property taxes are recorded when levied.

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10<sup>th</sup> and April 10<sup>th</sup> are considered delinquent and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

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

**Prepaid Items:** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and proprietary financial statements.

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the County did not maintain internally developed software. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2007.

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

<u>Assets</u>	<u>Years</u>
Infrastructure	30-50
Building & Improvements	30
Vehicles	4-12
Computer equipment	3-10
Other furniture and equipment	3-10

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

**Compensated Absences:** The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated annual and sick 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 expecting to become eligible in the future to receive such payments upon termination are included.

**Long-term Obligations:** In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method.

For fund financial reporting, bond premiums, discounts as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**Fund Equity:** Reservations of fund balances represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balances represent tentative management plans that are subject to change. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.



**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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

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

**Restricted Net Assets:** For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net assets used are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

The County's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

**Accrued Employee Benefits:** County employees may accumulate limited amounts of annual leave, personal leave and comp time which are payable to the employee upon termination or retirement. For governmental funds, expenditures are recognized during the period in which vacation costs become payable from available, expendable resources. A liability for amounts earned but not payable from available, expendable resources is recorded in the statement of net assets.

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

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

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the County's financial statements include management's estimate of the useful lives of capital assets and the landfill closure and post-closure care costs.

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the Board of County Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the County Commissioners and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 2. Stewardship, Compliance and Accountability (continued)**

*Budgetary Information (continued)*

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.

The County is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2007 is presented.

**NOTE 3. Cash and Temporary Investments**

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2007.

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

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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

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

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

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution.

**Deposits**

NM State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

	Wells <u>Fargo Bank</u>	Bank of <u>Albuquerque</u>	<u>Total</u>
Total amounts of deposits	\$ 1,160,063	\$ 81,239	\$ 1,241,302
FDIC coverage	<u>(200,000)</u>	<u>(81,239)</u>	<u>(281,239)</u>
Total uninsured public funds	<u>\$ 960,063</u>	<u>\$ —</u>	<u>\$ 960,063</u>
Collateral requirement (50% of uninsured public funds)	\$ 480,032	\$ —	\$ 480,032
Pledged security	<u>480,032</u>	<u>—</u>	<u>480,032</u>
Total under (over) collateralized	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2007, \$960,063 of the County's bank balance of \$1,241,302 was exposed to custodial credit risk. \$960,063 was exposed to custodial credit risk because it was uninsured and the collateral was held by the pledging bank's trust department, not in the County's name.

**Investments**

NM State Statutes require collateral pledged for repurchase agreements in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least 102% of the amount on deposit with the institution.

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

**Investments (continued)**

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the County's repurchase agreements.

	<u>Wells Fargo Bank</u>
Repurchase agreements	
Total amount of deposits	\$ 1,951,788
FDIC coverage	<u>—</u>
 Total uninsured public funds	 <u>\$ 1,951,788</u>
 Collateral requirement (102% of uninsured public funds)	 \$ 1,990,824
Pledged collateral	<u>2,346,565</u>
 Over collateralized	 <u>\$ 355,741</u>

*Custodial Credit Risk – Investments.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's \$1,951,788 investment in repurchase agreements was held by the investment's counterparty not in the name of the County. The County's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The carrying value of the County's repurchase agreements at June 30, 2007 was \$1,951,788.

The County utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts.

As of June 30, 2007 the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>less than 1</u>	<u>1 to 5</u>	<u>6-10</u>	<u>More than 10</u>
Repurchase Agreement*	<u>1,951,788</u>	<u>1,951,788</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>1,951,788</u>	<u>1,951,788</u>	<u>—</u>	<u>—</u>	<u>—</u>
State Treasurer's Investment	100,000	100,000	—	—	—
Wells Fargo CDs	<u>600,000</u>	<u>600,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>700,000</u>	<u>700,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>2,651,788</u>	<u>2,651,788</u>	<u>—</u>	<u>—</u>	<u>—</u>

*Interest rate risk* is the risk that interest rate variations may adversely affect an investment's fair value. The prices of securities fluctuate with market interest rates and the securities held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investments to rising interest rates. At June 30, 2007, the County's investment of New MexiGROW LGIP had a value of \$100,000.

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

**Investments (continued)**

Credit risk - *Investments*. The County's Investment Policy limits investments to those securities authorized by the laws of the State of New Mexico. As of June 30, 2007, the County's investment of New MexiGROW LGIP had a credit risk rating of AAAM and a WAM of 18 days..

Concentration of Credit risk - *Investments*. The County places no limit on the amount the County may invest in any one issuer. The county is invested only in Wells Fargo CDs and the State Treasurer's New MexiGROW LGIP.

The State Treasurer Local Government Investment Pool is not SEC Registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government with ratings A to AAA by Moody's Investors Service and S&P. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2007. The State of New Mexico is the regulatory oversight entity and participation in the pool is voluntary.

**NOTE 4. Receivables**

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

	<u>General Fund</u>	<u>Road Fund</u>	<u>Corrections Fund</u>	<u>Environmental Gross Receipts Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Property Taxes	\$ 313,879	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 313,879
Intergovernmental	21,220	53,136	—	2,930	57,005	26,619	160,910
Other	<u>4,389</u>	<u>—</u>	<u>9,831</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>14,220</u>
Net Receivables	<u>\$ 339,488</u>	<u>53,136</u>	<u>\$ 9,831</u>	<u>\$ 2,930</u>	<u>\$ 57,005</u>	<u>\$ 26,619</u>	<u>\$ 489,009</u>

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax receivables are presented net of deferred revenues in the governmental balance sheet. Deferred revenue – property taxes totaled \$254,656, as presented in the general fund.

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

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

Transfers from the General Fund to:	
Farm & Range Fund	\$ 17,890
Aging & Long Term Care	6,649
Emergency Management	18,237
Recreation	4,387
Senior Citizens	<u>12,623</u>
Total transfers from the General Fund	<u>\$ 59,786</u>
Transfers from Capital Projects Fund to:	
Corrections Fund	\$ 17,400
Emergency Management Fund	<u>6,649</u>
Total transfers from the Capital Projects Fund	<u>\$ 24,049</u>
Transfers to major and nonmajor governmental funds from:	
General Fund	\$ 59,786
Capital Projects Fund	<u>24,049</u>
Total transfers to major and nonmajor governmental funds	<u>\$ 83,835</u>

Receivables and payables from interfund transactions as of June 30, 2007 are listed below. The majority of interfund balances were affected or created due to cash overdrafts and a few other balances are either carried forward from the prior year, or were created when expenditures were inadvertently recorded in the incorrect fund and later adjusted to the correct fund.

	<u>Due to General Fund</u>	<u>Due from Other Funds</u>
General Fund	\$ —	\$ 111,219
Law Enforcement Protection	74,587	—
Emergency Management	<u>36,632</u>	—
Total due to General Fund	<u>\$ 111,219</u>	<u>\$ 111,219</u>

**STATE OF NEW MEXICO**  
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**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2007, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

**Governmental Activities:**

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Capital Assets Used in Governmental Activities:</b>				
Capital Assets not being depreciated:				
Construction in Progress	125,475	—	(125,475)	—
Land	\$ 22,000	\$ —	\$ —	\$ 22,000
Subtotal	<u>147,475</u>	<u>—</u>	<u>—</u>	<u>22,000</u>
Capital Assets being depreciated:				
Buildings	3,214,570	208,213	—	3,422,783
Machinery and Equipment	2,805,621	885,711	—	3,691,332
Furniture and Fixtures	44,307	110,970	—	155,277
Infrastructure	<u>14,423,863</u>	<u>702,151</u>	<u>125,475</u>	<u>15,251,489</u>
Subtotal	<u>20,488,361</u>	<u>1,907,045</u>	<u>—</u>	<u>22,520,881</u>
Total Capital Assets	<u>\$ 20,635,836</u>	<u>\$ 1,907,045</u>	<u>\$ —</u>	<u>\$ 22,542,881</u>
<b>Less Accumulated Depreciation:</b>				
Furniture and Fixtures	\$ 11,417	\$ 5,702	\$ —	\$ 17,119
Buildings	1,955,884	66,374	—	2,022,258
Machinery and Equipment	2,091,224	433,130	—	2,524,354
Infrastructure	<u>6,328,836</u>	<u>326,103</u>	<u>—</u>	<u>6,654,939</u>
Total	<u>\$ 10,387,361</u>	<u>\$ 831,309</u>	<u>\$ —</u>	<u>\$ 11,218,670</u>
Net Capital Assets	<u>\$ 10,248,475</u>	<u>\$ 1,075,736</u>	<u>\$ —</u>	<u>\$ 11,324,211</u>

Depreciation expense for the year ended June 30, 2007 was charged to the following functions and funds:

Public safety	\$ 5,818
Public Works	598,133
Health and welfare	70,137
General government	<u>157,221</u>
Total depreciation expense: governmental activities	<u>\$ 831,309</u>

**STATE OF NEW MEXICO**  
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**NOTE 7. Long-term Debt**

During the year ended June 30, 2007, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Current</u> <u>Maturities</u>
<i>Governmental Activities:</i>					
Notes Payable	\$ 1,013,223	\$ —	\$ 116,834	\$ 896,389	\$ 113,048
Capital Leases	9,585	—	9,585	—	—
Compensated Absences	<u>43,500</u>	<u>7,163</u>	<u>—</u>	<u>50,663</u>	<u>—</u>
Total Long-Term Debt	<u>\$ 1,066,308</u>	<u>\$ 7,163</u>	<u>\$ 126,419</u>	<u>\$ 947,052</u>	<u>\$ 113,048</u>

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

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2008	\$ 113,048	\$ 18,718	\$ 131,766
2009	199,769	17,052	216,821
2010	106,667	15,135	121,802
2011	115,195	12,940	128,135
2012	40,183	10,489	50,672
2013-2017	126,776	41,929	168,705
2018-2022	134,107	23,723	157,830
2023-2027	<u>60,644</u>	<u>3,159</u>	<u>63,803</u>
	<u>\$ 896,388</u>	<u>\$ 143,145</u>	<u>\$ 1,039,533</u>

Capital Leases

The County leases vehicles and other equipment under various capital leases. The economic substance of the leases is that the County is financing the acquisition of the assets through the leases and, accordingly, they are recorded as County assets and liabilities. The obligations under capital leases have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at interest rates as stated in the individual contracts.

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2007, compensated absences increased \$7,163 over the prior year accrual. See Note 1 for more details.



**STATE OF NEW MEXICO**  
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**NOTE 8. Deferred Revenue**

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to subsequent years, unless such excess revenues are requested to be returned to the grantor.

**NOTE 9. Risk Management**

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters.

Guadalupe County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The County is not liable for more than the premiums paid.

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

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

- A. Deficit fund balance of individual funds. The following funds reflected a deficit fund balance as of June 30, 2007:

**Governmental Funds:**

<b>Major Funds:</b>		
Corrections Fund	42,301	
<b>Total Major Funds</b>		42,301
 <b>Nonmajor Funds:</b>		
Law Enforcement Protection		74,587
Emergency Management		38,158
<b>Total Nonmajor Funds</b>		112,745

These deficits are expected to be funded by additional grants and charges for services.

- B. Excess of expenditures over appropriations. There were no funds exceeding approved budgetary authority for the year ended June 30, 2007.

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**NOTE 11. PERA Pension Plan**

*Plan Description.* Substantially all of Guadalupe County's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978.) The Public Employee Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 87504-2123.

*Funding Policy.* Plan members are required to contribute 7% for municipal employees, 8% for fire protection employees (this plan began in March 2007) and 7% of gross salaries for law enforcement employees. The County was required to contribute 10% for law enforcement plan members until January 2007, when the contribution increased to 18.5%. The County was also required to contribute 7% for municipal plan members and 21.25% for fire protection plan members. In addition to the employer contributions, Guadalupe County also makes 5.25% of the municipal employee contributions, leaving employees to contribute only 1.75% of their gross wages while the County contributes 12.25%. Until January 2007, the County was contributing 5.25% of the law enforcement plan members' contributions, leaving those employees to only contribute 1.75% and the County to contribute a total of 15.25%. When the County changed plans in January 2007, they no longer paid any of the employee contributions, and the employee and County contributed 7% and 18.5%, respectively. The Fire Protection plan was implemented in March 2007, with employees and the County contributing 8% and 21.25%, respectively. The contribution requirements of plan members and Guadalupe County are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the years ended June 30, 2007, 2006 and 2005 were \$106,635, \$93,337 and \$72,188, respectively.

**NOTE 14. Contingent Liabilities**

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

**NOTE 13. Federal and State Grants**

In the normal course of operations, the County receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

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**NOTE 14. Subsequent Accounting Standard Pronouncements**

In November 2003, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries, which is effective for financial statements for periods beginning after December 15, 2005. This statement requires governments to report the effects of capital asset impairments in their financial statements when they occur rather than as part of the ongoing depreciation expenses for the capital asset or upon disposal of the capital asset. The Statement also requires governments to account for insurance recoveries in the same manner. The County is analyzing the effect that these standards will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In May 2005, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 44, Economic Condition Reporting: The Statistical Section, which is effective for financial statements for periods beginning after June 15, 2007. This Statement improves the understandability and usefulness of statistical section information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model for state and local governments required by Statement 34. The County is analyzing the effect that these standards will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

In December 2005, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 46, Net Assets Restricted by Enabling Legislation, which is effective for financial statements for periods beginning after June 15, 2007. The clarifications in this Statement should improve the understandability and comparability of net asset information by making the assessment of legal enforceability more uniform across governments. The County is analyzing the effect that these standards will have on its financial statements, and currently believes it will have no significant effect on the financial statements for the upcoming year.

**NOTE 15. Guadalupe County Hospital**

Organization

Guadalupe County Hospital (the "Hospital") is a 10-bed county-owned acute care hospital located in Santa Rosa, New Mexico. The Hospital provides inpatient and outpatient medical care services for residents of Guadalupe Count (the "County"). The Hospital is a component unit of the county.

The Hospital has a management agreement with New Mexicare, Inc. (New Mexicare), a nonprofit healthcare management company, to supervise and direct the Hospital's daily operations. The Hospital or New Mexicare may terminate the agreement without cause or penalty, upon seven days written notice to the other party. According to the agreement, the Hospital is to maintain a \$500,000 cash reserve for Hospital operations and to reimburse New Mexicare for all costs related to the operations and maintenance of the Hospital. An amendment to the management agreement, dated April 24, 2003, stipulates a monthly fee to be paid New Mexicare based on 4% of generated monthly gross revenues, excluding certain revenues. The amendment also stipulates a monthly fee to be paid the County based on 1% of generated monthly gross revenues, excluding certain revenues.

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**NOTE 15.      Guadalupe County Hospital – continued**

Basis of Accounting

The Hospital's financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (GAAP) as applied to the governmental units.

The Hospital follows proprietary fund accounting. Proprietary funds are accounted for on the flow of economic measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of the Hospital are included on the statement of net assets. The Hospital applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The Hospital also has elected to apply FASB Statements and interpretations issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements.

Budgetary Data

The Board formally approves each year's budget. The approved budget is then presented to County Commission. This does not, however, represent a legally binding budget.

Accounts Receivable Allowances

The allowance of doubtful patient accounts receivable is that amount which, in management's judgment, is considered adequate to reduce patient accounts receivable to an amount that is considered to be ultimately collectible. The Hospital calculates its allowance for doubtful accounts based on percentages of accounts receivable aging categories that consider historical write-offs by major payor categories over the past several years. Management believes that estimates made for the allowance for doubtful accounts are adequate. Because of the uncertainty regarding the ultimate collectibility of patient accounts receivable, there is a possibility that recorded estimates of the allowance for doubtful accounts will change.

Additionally, the Hospital evaluates patient accounts receivable balances older than one year to determine collectibility. Accounts are considered uncollectible when there has been no recent payment activity and no other indication that payment will be received. Those balances that are considered uncollectible are written off.

Supplies Inventories

Supplies inventories consist of medical and pharmacy supplies used in operations. Supplies inventories are stated at the lower cost, determined on the first-in, first-out (FIFO) method, or market.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Hospital's deposits may not be returned to it. In accordance with Section 6-10-17, NMSA, 1978 compilation, the Hospital is required to obtain collateral in an amount equal to one-half of the deposited public money in excess of \$100,000. The Hospital's policy is to require collateral on all deposits exceeding Federal Deposit Insurance Corporation (FDIC) limits. As of June 30, 2007, the Hospital had deposits with a bank balance of \$2,228,750, of which \$663,763 were uninsured and uncollateralized, and therefore subject to custodial credit risk.

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**NOTE 15. Guadalupe County Hospital – continued**

Patient Accounts Receivable

Patient accounts receivable at June 30, 2007 are summarized as follows:

	2007
Gross Patient accounts receivable	\$ 908,276
Contractual allowances & Allowance for doubtful accounts	(688,107)
Net Patient accounts receivable	\$ 220,169

Capital Assets

Capital asset activity of the Hospital for the year ended June 30, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated				
Equipment	\$ 466,581	\$ 7,501	\$ (17,967)	\$ 456,115
Less accumulated depreciation				
Equipment	(380,151)	(20,882)	15,217	(385,816)
Capital assets, net	\$ 86,430	\$ 13,381	\$ (2,750)	\$ 70,299

Net Patient Service Revenue

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

A summary of the payment arrangements with major third-party payors follows:

*Medicare* – Services rendered to Medicare program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Inpatient non-acute services, certain outpatient services, and defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost reimbursement methodology. The Hospital is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary

*Medicaid* – The State of New Mexico (the “State”) administers its Medicaid program through contracts with three Managed Care Organizations (MCOs). Medicaid beneficiaries are required to enroll with one of the MCOs. The state pays each MCO a per member, per month rate based on their current enrollment. These amounts are allocated by each MCO to separate pools for hospital, physicians, and ancillary providers. As a result the MCOs assume the financial risk of providing healthcare to its members. This arrangement is commonly referred to as “SALUD!” Through the Hospital’s contracts with the MCOs, inpatient acute care services are primarily paid at per diem rates varying according to the level of inpatient services provided. Outpatient services are paid as a percentage of charges.

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**NOTE 15. Guadalupe County Hospital – continued**

Medicare and Medicaid costs report liabilities are as follows at June 30, 2007:

	Amount	Status
Medicare		
2007	25,000	Tentative Settlement
2007	25,000	Not Filed
	50,000	
Medicaid		
2004	-	Unaudited
2005	7,510	Unaudited
2007	-	Unaudited
2007	-	Not Filed
	7,510	
Estimated third party payor settlements	57,510	

Settlements of prior-year cost reports resulted in an increase to net patient service revenue of approximately \$224,000 and \$288,000 in the years ended June 30, 2007 and 2007, respectively. Management believes that estimated third party payor settlement liabilities are adequate. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Estimates are continually monitored and reviewed, and as settlements are made, differences are reflected in current operations.

Subsequent to the year end, the Hospital engaged a consultant to help it re-open its 2004 Medicare cost report, due to mistakes noted in the original settlement. The re-opening and resulting new settlement provided the Hospital with net additional revenue of \$67,000, which was recorded in the fiscal year 2008. In addition, subsequent to year end, the Hospital received \$1,000 from Medicare in final settlement of its 2007 cost report. Considering these subsequent events, management still believes that June 30 2007 estimated third party payor settlement liabilities are adequate and appropriate.

*Other Third-Party Payors* – The Hospital has also entered into payment agreements with certain commercial insurance carriers. The basis for payment to the Hospital under these agreements includes prospectively determined rates per discharge, discounts from established charges and prospectively determined daily rates.

The following summary details the components of net patient service revenue for the year ended June 30, 2007:

	2007
Gross charges	\$ 4,291,735
Add (less) third-party contractual adjustments and cost report settlements	(538,212)
Less bad debts and changes in allowance for uncollectible accounts	(504,024)
Less charity care	(160,416)
Net patient service revenue	\$ 3,089,083

Uncompensated Care

The Hospital accepts all patients regardless of their ability to pay. A patient is classified as a charity patient by reference to certain established policies. Essentially, these policies define charity services for which no or nominal payment is anticipated. Additionally, patients are accepted who are covered by governmental indigent programs. Such indigent programs typically remit amounts substantially less than established charges. Bad debts are often indistinguishable from charity services and could also be considered a component of uncompensated care.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 15. Guadalupe County Hospital – continued**

Retirement Plan

The Hospital establishes a defined contribution retirement plan effective April 2001, entitled “Guadalupe County Hospital 403(b) Plan.” The Plan is administered by the Hospital. Although they have not expressed intent to do so, the Hospital can amend or terminate the plan at any time. All employees are eligible to participate in the plan after a 90-day probationary period. The plan allows eligible employees to defer a portion of their annual compensation pursuant to Section 403(b) of the Internal Revenue Services Code.

The Hospital also established an employer contribution match of up to 3% of the employee’s base wage, effective July 1, 2005. Employer contributions to the plan are discretionary and are fully vested once the employee is eligible to participate in the 403(b) plan. Employees and employer contributions to the plan for the year ended June 30, 2007, were \$30,061 and \$17,858, respectively. Employees and employer contributions to the plan for the year ended June 30, 2007, were \$28,534 and \$18,186, respectively.

Concentrations of Credit Risk

*Patient Account receivable* – The Hospital grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. Management believes that estimates made for the allowance for doubtful accounts are adequate. Because of the uncertainty regarding the ultimate collectibility of patient accounts receivable, there is at least a reasonable possibility that recorded estimates of the allowance for doubtful accounts will change by a material amount in the near term.

The Hospital recognizes that revenue and receivables from government agencies are significant to the Hospital’s operations, but do not believe that there are any significant credit risks associated with these governmental agencies. The mix of receivables from patients and third-party payors at June 30, 2007 is as follows.

	<u>2007</u>
Commercial insurance	38%
Private Pay	19%
Medicare	35%
Medicaid	8%
Total	100%

Commitments and Contingencies

*Healthcare Regulatory Environment* – The healthcare industry is subject to laws and regulations of federal, state and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, and government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increase with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs, the imposition of significant fines and penalties and significant repayments for patient services previously billed.

Management believes that the Hospital is in compliance with applicable government laws and regulations. Compliance with such laws and regulations can be subject to future government review and interpretation as well as regulatory actions unknown or unasserted at this time.

The Health Insurance Portability and Accountability Act (HIPAA) was enacted August 21, 1996, to assure health insurance portability, guarantee security and privacy of health information, enforce standards for health information and establish administrative simplification provisions. Management feels that the Hospital is in compliance with all applicable provisions of HIPPA.

*Risk Management* – The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the preceding three years.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 15. Guadalupe County Hospital – continued**

*Litigation* – The Hospital is involved in litigation and regulatory investigations arising in the ordinary course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Hospital’s future position of operations.

*Operating Lease* – The Hospital leases various medical equipment. The following schedule by year of future minimum lease payments under operating leases as of June 30, 2007, which have an initial lease term in excess of one year:

<u>Year Ending June 30</u>	
2008	\$ 108,300
2009	108,300
2010	108,300
2011	<u>9,025</u>
	<u>\$ 333,925</u>

Mill Levy

A New Mexico law adopted in 1980 and amended in 1981 allows for counties to provide expanded tax support to qualified hospitals. The Hospital received mill levy proceeds of \$383,115 and \$405,038 in 2006 and 2007, respectively, all of which were used to support operations. The current mill levy expires May 2009.

Related Party Transactions

The Hospital entered into the following related party transactions during fiscal year 2007:

On June 1, 2007 the Hospital signed an agreement with Santa Rosa Medical Clinic (the “Clinic”) to purchase its laboratory operations, including a chemistry analyzer, electrolyte analyzer, and all of the Clinic’s laboratory inventory and supplies for \$26,438. This purchase was finalized on July 1, 2007. The agreement also stated that the Hospital will assume all lab equipment leases entered into by Santa Rosa Medical Clinic. The amount paid to the clinic for the purchase in fiscal year 2007 was \$16,738

The Hospital contracts with Alamo Locums, Inc. who provides on-call emergency and urgent medical services for the Hospital. Alamo Locums is owned by Randal Brown, MD. The amount paid to Alamo Locums in fiscal year 2007 for these services was \$640,200.

The Hospital leases a Siemens Ultra-sound machine from the Clinic. The amount paid to the Clinic during fiscal year 2007 for this lease was \$4,080.



**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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**SPECIAL REVENUE FUNDS**

## SPECIAL REVENUE FUNDS

**Farm and Range Fund** – Authorized by the Federal Taylor Grazing Act. Expenditures are restricted to soil conservation, rodent control, and related activities.

**Recreation Fund** – Authorized by section 7-1-6.11, NMSA. To account for the provision of recreation to juvenile groups within the County. Revenues are provided by the County's allocation of State cigarette tax.

**Indigent** – 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 (see Section 7-2OE-9, NMSA 1978 Compilation).

**Anton Chico Fire Fund** – Authorized by section 59a-53-3, NMSA. To account for the provision of fire and ambulance protection to residents of the Anton Chico area. Financing provided by the allotments from the State.

**Puerto De Luna Fire Fund** – Authorized by section 59a-53-3, NMSA. To account for the provision of fire and ambulance protection to the residents of Arch area. Financing is provided by allotments from the State.

**Windmill Pilot Fund** -- The money comes from Aragonne Wind, LLC on an annual basis. The company makes annual payments to the county in an amount equal to \$1,517 per mega watt of installed capacity. The results in a total annual PILOT payment to the county of \$136,567 for the life of the bonds. (Taxable Industrial Revenue Bonds). The money is to be used towards the construction of the new hospital.

**County Property Valuation** – To account for funds used to provide valuation services to the County and other local entities. This fund was created by authority of state statute (see Section 7-38-38.1, NMSA 1978 Compilation).

**Law Enforcement Fund** – To account for revenues and expenditures for maintaining and improving the County's law enforcement department in order to enhance its efficiency and effectiveness. Funding is from the State appropriation authorized by Section 29-13-3f, NMSA.

**DWI Grant** – To account for grant funds from the Department of Finance and Administration to provide quality substance abuse treatment, community education, outreach and primary prevention services to citizens of Guadalupe County. This fund was created by authority of state statute (see Section 31-12-7 of NMSA).

**DWI Distribution Fund** – Authorized by NMSA 1978 sections 11-6A-1-6. To account for monies from the State to conduct DWI checkpoints across the State in an effort to reduce the number of people who are driving while under the influence of alcohol.

**Recording and Filing Fund** – To account for monies collected by the County Clerk's office for each instrument recorded and when the instrument is photocopied, in addition to any other fees authorized by law, the County Clerk may charge an equipment recording fee. The equipment recording fee revenues are expected to be expended only to rent, purchase, lease or lease-purchase equipment associated with recording, filing, maintaining or reproducing documents in the County Clerk's office and for staff training on office procedures and equipment. Authorized by NMSA 14-8-12.2.

**Emergency Medical Service (EMS) Funds** – To account for revenues and expenditures for Emergency Medical Services in Guadalupe County. These funds were created by the authority of state statute (see Section 59A-53-5, NMSA 1978 Compilation).

**NM Aging & Long Term Grant** – A grant from the State of New Mexico for the senior citizens within the County.

**Maternal Health Grant** – To promote the Department of Health's strategic plan to promote positive maternal, child, adolescent, and family health outcomes in Santa Rosa using evidence based strategies and programs, to enhance positive youth development and coordinate health services for youth, and to promote health, enhance quality of life, and prevent and manage disability, infections and chronic disease.

**Rural Primary Health Care Act** – To account for state funds relating to the improvement of health care services in the County. The authority to create this fund was given by New Mexico Statute, Chapter 113.

**C.D.B.G Grant** – To account for federal funds for various projects. Funding is from a Community Development Block Grant from the Department of H.U.D. through the State Department of Finance and Administration.

## **SPECIAL REVENUE FUNDS**

**Emergency Management** – A federally funded grant from the Office of Emergency Management used to employ an emergency manager plus fringe benefits.

**E-911 Enhanced Fund** – A grant from the State of New Mexico Department of Finance and Administration for the upkeep and maintenance of the communications equipment at the County's 911 dispatch center.

**Senior Citizen Fund** – A state and federally funded grant received from the Eastern New Mexico Area Agency on Aging. There are also contributions that are collected from the local citizens participating in the food programs. These funds are used to operate two separate senior citizens meal centers in Puerto De Luna, NM and La Loma, NM. These sites include meals at the center as well as meals on wheels to the homebound and sick clients that are part of the program. These funds are also used to pay salaries and employee benefits for employees of the centers.

**Library** – Accounts for the accumulation of resources received from the New Mexico State Grant in Aid. Under Chapter 59 of the laws of 1981 and the New Mexico State Library Rule 81-2 funds are limited to the purchase of books and other non-administrative purchases for the library.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2007**

	Farm and Range	Recreation	Indigent	Anton Chico Fire
<b>ASSETS</b>				
Current:				
Cash and temporary investments	\$ 132	\$ 15	\$ 84,743	\$ 97,556
Accounts receivable				
Property taxes	-	-	-	-
Intergovernmental	-	-	9,842	-
Other receivables	-	-	-	-
Interfund balances	-	-	-	-
Restricted:				
Cash and temporary investments	-	-	-	-
<i>Total current assets</i>	\$ 132	\$ 15	\$ 94,585	\$ 97,556
 <b>LIABILITIES AND FUND BALANCE</b>				
<i>Current Liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 36
Accrued payroll liabilities	-	-	-	-
Interfund balances	-	-	-	-
Deferred revenue	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
<i>Total current liabilities</i>	-	-	-	36
 <i>Fund balance:</i>				
Reserved				
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved				
Designated for subsequent year's expenditures				-
Undesignated, reported in				
General fund	-	-	-	-
Special revenue funds	132	15	94,585	97,520
<i>Total fund balance</i>	132	15	94,585	97,520
<i>Total liabilities and fund balance</i>	\$ 132	\$ 15	\$ 94,585	\$ 97,556

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



<u>Puerto del Luna Fire</u>	<u>Windmill Pilot</u>	<u>County Property Valuation</u>	<u>Law Enforcement</u>	<u>DWI Grant</u>	<u>DWI Distribution</u>	<u>Recording and Filing</u>
\$ 248,131	\$ 136,890	\$ 94,565	\$ -	\$ 2,611	\$ 8,094	\$ 19,013
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 248,131</u>	<u>\$ 136,890</u>	<u>\$ 94,565</u>	<u>\$ -</u>	<u>\$ 2,611</u>	<u>\$ 8,094</u>	<u>\$ 19,013</u>
\$ 56	\$ -	\$ 230	\$ -	\$ -	\$ 152	\$ -
-	-	336	-	432	490	-
-	-	-	74,587	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>56</u>	<u>-</u>	<u>566</u>	<u>74,587</u>	<u>432</u>	<u>642</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>248,075</u>	<u>136,890</u>	<u>93,999</u>	<u>(74,587)</u>	<u>2,179</u>	<u>7,452</u>	<u>19,013</u>
<u>248,075</u>	<u>136,890</u>	<u>93,999</u>	<u>(74,587)</u>	<u>2,179</u>	<u>7,452</u>	<u>19,013</u>
<u>\$ 248,131</u>	<u>\$ 136,890</u>	<u>\$ 94,565</u>	<u>\$ -</u>	<u>\$ 2,611</u>	<u>\$ 8,094</u>	<u>\$ 19,013</u>

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2007**

	EMS	NM Aging & Long Term Grant	Maternal Health	Rural Primary Health Care Act
<b>ASSETS</b>				
Current:				
Cash and temporary investments	\$ 28,560	\$ -	\$ -	\$ -
Accounts receivable				
Property taxes	-	-	-	-
Intergovernmental	-	-	-	11,167
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
Restricted:				
Cash and temporary investments	-	-	-	-
<i>Total current assets</i>	<u>\$ 28,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,167</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
<i>Current Liabilities:</i>				
Accounts payable	\$ 85	\$ -	\$ -	\$ 11,167
Accrued payroll liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
<i>Total current liabilities</i>	<u>85</u>	<u>-</u>	<u>-</u>	<u>11,167</u>
 <i>Fund balance:</i>				
Reserved				
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Unreserved				
Designated for subsequent year's expenditures				
Undesignated, reported in				
General fund	-	-	-	-
Special revenue funds	28,475	-	-	-
<i>Total fund balance</i>	<u>28,475</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 28,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,167</u>

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

<u>CDBG Water</u>	<u>Emergency Management</u>	<u>E-911 Enhanced</u>	<u>Senior Citizens</u>	<u>Library</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 5,238	\$ -	\$ 725,548
-	-	-	-	-	-
-	-	-	5,610	-	26,619
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,848</u>	<u>\$ -</u>	<u>\$ 752,167</u>
\$ -	\$ 614	\$ -	\$ 1,186	\$ -	\$ 13,526
-	912	-	1,572	-	3,742
-	36,632	-	-	-	111,219
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>38,158</u>	<u>-</u>	<u>2,758</u>	<u>-</u>	<u>128,487</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(38,158)	-	8,090	-	623,680
<u>-</u>	<u>(38,158)</u>	<u>-</u>	<u>8,090</u>	<u>-</u>	<u>623,680</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,848</u>	<u>\$ -</u>	<u>\$ 752,167</u>

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Farm and Range	Recreation	Indigent	Anton Chico Fire
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	230,363	-
Other taxes	-	26	-	-
State grants	-	-	42,200	34,690
Federal grants	9,792	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	440	9	2,117	2,426
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,232</u>	<u>35</u>	<u>274,680</u>	<u>37,116</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	10,639
Culture and recreation	30,000	4,450	-	-
Health and welfare	-	-	231,427	-
Public works	-	-	-	-
Capital outlay	-	-	-	1,341
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>4,450</u>	<u>231,427</u>	<u>11,980</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(19,768)</u>	<u>(4,415)</u>	<u>43,253</u>	<u>25,136</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	17,890	4,387	-	-
<i>Total other financing sources (uses)</i>	<u>17,890</u>	<u>4,387</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(1,878)	(28)	43,253	25,136
<i>Fund balances - beginning of year</i>	<u>2,010</u>	<u>43</u>	<u>51,332</u>	<u>72,384</u>
<i>Fund balances - end of year</i>	<u>\$ 132</u>	<u>\$ 15</u>	<u>\$ 94,585</u>	<u>\$ 97,520</u>

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

Puerto del Luna Fire	Windmill Pilot	County Property Valuation	Law Enforcement	DWI Grant	DWI Distribution	Recording and Filing
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
188,619	136,568	-	35,756	19,907	46,235	-
-	-	-	-	-	-	-
-	-	29,334	-	-	-	8,058
-	-	552	-	3,125	-	-
2,559	322	2,219	212	-	-	-
-	-	-	-	225	-	-
<u>191,178</u>	<u>136,890</u>	<u>32,105</u>	<u>35,968</u>	<u>23,257</u>	<u>46,235</u>	<u>8,058</u>
-	-	20,605	-	-	-	-
8,367	-	-	8,492	21,355	43,252	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,613	-	3,153	105,000	-	2,486	9,383
8,632	-	-	-	-	-	-
1,355	-	-	-	-	-	-
<u>25,967</u>	<u>-</u>	<u>23,758</u>	<u>113,492</u>	<u>21,355</u>	<u>45,738</u>	<u>9,383</u>
<u>165,211</u>	<u>136,890</u>	<u>8,347</u>	<u>(77,524)</u>	<u>1,902</u>	<u>497</u>	<u>(1,325)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>165,211</u>	<u>136,890</u>	<u>8,347</u>	<u>(77,524)</u>	<u>1,902</u>	<u>497</u>	<u>(1,325)</u>
<u>82,864</u>	<u>-</u>	<u>85,652</u>	<u>2,937</u>	<u>277</u>	<u>6,955</u>	<u>20,338</u>
<u>\$ 248,075</u>	<u>\$ 136,890</u>	<u>\$ 93,999</u>	<u>\$ (74,587)</u>	<u>\$ 2,179</u>	<u>\$ 7,452</u>	<u>\$ 19,013</u>

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	EMS	NM Aging & Long Term Grant	Maternal Health	Rural Primary Health Care Act
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	90,321	70,674	14,143	148,667
Federal grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,145	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>91,466</u>	<u>70,674</u>	<u>14,143</u>	<u>148,667</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	1,547	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	68,047	-	122,833
Public works	-	-	-	-
Capital outlay	85,000	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>86,547</u>	<u>68,047</u>	<u>-</u>	<u>122,833</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>4,919</u>	<u>2,627</u>	<u>14,143</u>	<u>25,834</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	6,649	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>6,649</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	4,919	9,276	14,143	25,834
<i>Fund balances - beginning of year</i>	<u>23,556</u>	<u>(9,276)</u>	<u>(14,143)</u>	<u>(25,834)</u>
<i>Fund balances - end of year</i>	<u>\$ 28,475</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>CDBG Water</u>	<u>Emergency Management</u>	<u>E-911 Enhanced</u>	<u>Senior Citizens</u>	<u>Library</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	230,363
-	-	-	-	-	26
368,779	5,688	85,124	97,831	536	1,385,738
-	-	-	-	-	9,792
-	-	-	-	-	37,392
-	-	-	70	-	3,747
-	-	-	-	-	11,449
-	-	-	16,430	-	16,655
<u>368,779</u>	<u>5,688</u>	<u>85,124</u>	<u>114,331</u>	<u>536</u>	<u>1,695,162</u>
-	-	-	-	-	20,605
-	27,246	-	-	-	120,898
-	-	-	-	123	34,573
-	-	-	157,698	-	580,005
388,329	-	-	-	-	388,329
-	15,520	85,124	-	-	314,620
-	-	-	-	-	8,632
-	-	-	-	-	1,355
<u>388,329</u>	<u>42,766</u>	<u>85,124</u>	<u>157,698</u>	<u>123</u>	<u>1,469,017</u>
<u>(19,550)</u>	<u>(37,078)</u>	<u>-</u>	<u>(43,367)</u>	<u>413</u>	<u>226,145</u>
<u>-</u>	<u>24,886</u>	<u>-</u>	<u>12,623</u>	<u>-</u>	<u>66,435</u>
<u>-</u>	<u>24,886</u>	<u>-</u>	<u>12,623</u>	<u>-</u>	<u>66,435</u>
(19,550)	(12,192)	-	(30,744)	413	292,580
<u>19,550</u>	<u>(25,966)</u>	<u>-</u>	<u>38,834</u>	<u>(413)</u>	<u>331,100</u>
<u>\$ -</u>	<u>\$ (38,158)</u>	<u>\$ -</u>	<u>\$ 8,090</u>	<u>\$ -</u>	<u>\$ 623,680</u>

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-3

FARM AND RANGE - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	10,000	10,000	9,792	(208)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	100	100	440	340
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>10,100</u>	<u>10,100</u>	<u>10,232</u>	<u>132</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	30,000	30,000	30,000	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(19,900)</u>	<u>(19,900)</u>	<u>(19,768)</u>	<u>132</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	(17,890)	17,890	17,890	-
Bond proceeds	-	-	-	-
Designated cash	37,790	2,010	-	(2,010)
<i>Total other financing sources (uses)</i>	<u>19,900</u>	<u>19,900</u>	<u>17,890</u>	<u>(2,010)</u>
<i>Net change in fund balances</i>	-	-	(1,878)	(1,878)
<i>Fund balances - beginning of year</i>	-	-	2,010	2,010
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132</u>	<u>\$ 132</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (1,878)</u>	

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



**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-4

RECREATION - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ 26	\$ 26
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	9	9
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	35	35
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	4,450	4,450	4,450	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	4,450	4,450	4,450	-
<i>Excess (deficiency) of revenues over expenditures</i>	(4,450)	(4,450)	(4,415)	35
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	(4,387)	4,387	4,387	-
Bond proceeds	-	-	-	-
Designated cash	8,837	63	-	(63)
<i>Total other financing sources (uses)</i>	4,450	4,450	4,387	(63)
<i>Net change in fund balances</i>	-	-	(28)	(28)
<i>Fund balances - beginning of year</i>	-	-	43	43
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 15	\$ 15
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (28)	

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

## STATE OF NEW MEXICO

Statement B-5

## GUADALUPE COUNTY

## INDIGENT - SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ 220,521	\$ 220,521
Intergovernmental	47,060	47,060	56,657	9,597
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	130	130	2,117	1,987
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>47,190</u>	<u>47,190</u>	<u>279,295</u>	<u>232,105</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	194,065	238,914	231,427	7,487
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>194,065</u>	<u>238,914</u>	<u>231,427</u>	<u>7,487</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(146,875)</u>	<u>(191,724)</u>	<u>47,868</u>	<u>239,592</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	146,875	191,724	-	(191,724)
<i>Total other financing sources (uses)</i>	<u>146,875</u>	<u>191,724</u>	<u>-</u>	<u>(191,724)</u>
<i>Net change in fund balances</i>	-	-	47,868	47,868
<i>Fund balances - beginning of year</i>	-	-	36,875	36,875
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,743</u>	<u>\$ 84,743</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(4,615)	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 43,253</u>	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-6

ANTON CHICO FIRE - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	34,690	34,690	34,690	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,000	1,000	2,426	1,426
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>35,690</u>	<u>35,690</u>	<u>37,116</u>	<u>1,426</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	24,156	24,156	10,603	13,553
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	83,462	321,962	1,341	320,621
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>107,618</u>	<u>346,118</u>	<u>11,944</u>	<u>334,174</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(71,928)</u>	<u>(310,428)</u>	<u>25,172</u>	<u>335,600</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	71,928	310,428	-	(310,428)
<i>Total other financing sources (uses)</i>	<u>71,928</u>	<u>310,428</u>	<u>-</u>	<u>(310,428)</u>
<i>Net change in fund balances</i>	-	-	25,172	25,172
<i>Fund balances - beginning of year</i>	-	-	72,384	72,384
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,556</u>	<u>\$ 97,556</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			<u>(36)</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 25,136</u>	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-7

PUERTO DE LUNA FIRE - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	36,632	36,632	178,632	142,000
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	500	500	2,559	2,059
Miscellaneous	-	-	-	-
<i>Total revenues</i>	37,132	37,132	181,191	144,059
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	36,956	36,956	8,400	28,556
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	188,462	576,962	7,613	569,349
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	225,418	613,918	16,013	597,905
<i>Excess (deficiency) of revenues over expenditures</i>	(188,286)	(576,786)	165,178	741,964
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	188,286	576,786	-	(576,786)
<i>Total other financing sources (uses)</i>	188,286	576,786	-	(576,786)
<i>Net change in fund balances</i>	-	-	165,178	165,178
<i>Fund balances - beginning of year</i>	-	-	82,953	82,953
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 248,131	\$ 248,131
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			9,987	
Expenditure accruals			(9,954)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 165,211	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**WINDMILL PILOT**

Statement B-8

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	136,568	136,568	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	322	322
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>136,568</u>	<u>136,890</u>	<u>322</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	65,000	-	65,000
Capital outlay	-	71,568	-	71,568
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>136,568</u>	<u>-</u>	<u>136,568</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>136,890</u>	<u>136,890</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	136,890	136,890
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,890</u>	<u>\$ 136,890</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			<u>\$ 136,890</u>	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-9

COUNTY PROPERTY VALUATION - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	28,000	28,000	29,334	1,334
Charges for services	-	-	552	552
Investment income	1,000	1,000	2,219	1,219
Miscellaneous	-	-	-	-
<i>Total revenues</i>	29,000	29,000	32,105	3,105
<i>Expenditures:</i>				
Current				
General Government	44,889	56,589	20,270	36,319
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	3,200	3,153	47
Debt service				
Principal	5,300	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	50,189	59,789	23,423	36,366
<i>Excess (deficiency) of revenues over expenditures</i>	(21,189)	(30,789)	8,682	39,471
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	21,189	30,789	-	(30,789)
<i>Total other financing sources (uses)</i>	21,189	30,789	-	(30,789)
<i>Net change in fund balances</i>	-	-	8,682	8,682
<i>Fund balances - beginning of year</i>	-	-	85,883	85,883
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 94,565	\$ 94,565
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(335)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 8,347	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-10

LAW ENFORCEMENT - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	35,756.00	35,756.00	35,756.00	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	50	50	212	162
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>35,806</u>	<u>35,806</u>	<u>35,968</u>	<u>162</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	8,743	8,743	8,492	251
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	30,000	105,000	105,000	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>38,743</u>	<u>113,743</u>	<u>113,492</u>	<u>251</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,937)</u>	<u>(77,937)</u>	<u>(77,524)</u>	<u>413</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	2,937	77,937	-	(77,937)
<i>Total other financing sources (uses)</i>	<u>2,937</u>	<u>77,937</u>	<u>-</u>	<u>(77,937)</u>
<i>Net change in fund balances</i>	-	-	(77,524)	(77,524)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,937</u>	<u>2,937</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (74,587)</u>	<u>\$ (74,587)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (77,524)</u>	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-11

DWI GRANT - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	34,483	34,483	20,639	(13,844)
Licenses and fees	-	-	-	-
Charges for services	5,664	5,664	3,125	(2,539)
Investment income	-	-	-	-
Miscellaneous	-	-	225	225
<i>Total revenues</i>	40,147	40,147	23,989	(16,158)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	33,721	33,721	21,378	12,343
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	33,721	33,721	21,378	12,343
<i>Excess (deficiency) of revenues over expenditures</i>	6,426	6,426	2,611	(3,815)
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	(6,426)	(6,426)	-	6,426
<i>Total other financing sources (uses)</i>	(6,426)	(6,426)	-	6,426
<i>Net change in fund balances</i>	-	-	2,611	2,611
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,611	\$ 2,611
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(732)	
Expenditure accruals			23	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 1,902	

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



## STATE OF NEW MEXICO

Statement B-12

## GUADALUPE COUNTY

## DWI DISTRIBUTION - SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	37,200	37,200	55,658	18,458
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>37,200</u>	<u>37,200</u>	<u>55,658</u>	<u>18,458</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	41,910	47,794	43,362	4,432
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	5,020	2,486	2,534
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>41,910</u>	<u>52,814</u>	<u>45,848</u>	<u>6,966</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,710)</u>	<u>(15,614)</u>	<u>9,810</u>	<u>25,424</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	4,710	15,614	-	(15,614)
<i>Total other financing sources (uses)</i>	<u>4,710</u>	<u>15,614</u>	<u>-</u>	<u>(15,614)</u>
<i>Net change in fund balances</i>	-	-	9,810	9,810
<i>Fund balances - beginning of year</i>	-	-	(1,716)	(1,716)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,094</u>	<u>\$ 8,094</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(9,423)	
Expenditure accruals			110	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 497</u>	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-13

RECORDING AND FILING - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	3,600	3,600	8,058	4,458
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	3,600	3,600	8,058	4,458
<i>Expenditures:</i>				
Current				
General Government	3,000	3,000	-	3,000
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	19,241	19,241	9,383	9,858
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	22,241	22,241	9,383	12,858
<i>Excess (deficiency) of revenues over expenditures</i>	(18,641)	(18,641)	(1,325)	17,316
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	18,641	18,641	-	(18,641)
<i>Total other financing sources (uses)</i>	18,641	18,641	-	(18,641)
<i>Net change in fund balances</i>	-	-	(1,325)	(1,325)
<i>Fund balances - beginning of year</i>	-	-	20,338	20,338
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 19,013	\$ 19,013
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			\$ (1,325)	

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

## STATE OF NEW MEXICO

Statement B-14

## GUADALUPE COUNTY

## EMS - SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	90,321	90,321	90,321	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	100	1,000	1,145	145
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>90,421</u>	<u>91,321</u>	<u>91,466</u>	<u>145</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	26,813	26,813	1,578	25,235
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	85,000	85,000	85,000	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>111,813</u>	<u>111,813</u>	<u>86,578</u>	<u>25,235</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(21,392)</u>	<u>(20,492)</u>	<u>4,888</u>	<u>25,380</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	21,392	20,492	-	(20,492)
<i>Total other financing sources (uses)</i>	<u>21,392</u>	<u>20,492</u>	<u>-</u>	<u>(20,492)</u>
<i>Net change in fund balances</i>	-	-	4,888	4,888
<i>Fund balances - beginning of year</i>	-	-	23,672	23,672
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,560</u>	<u>\$ 28,560</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			31	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 4,919</u>	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-15

NM AGING & LONG TERM GRANT - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	60,297	60,297	70,674	10,377
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	60,297	60,297	70,674	10,377
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	70,566	70,566	68,047	2,519
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	70,566	70,566	68,047	2,519
<i>Excess (deficiency) of revenues over expenditures</i>	(10,269)	(10,269)	2,627	12,896
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	(19,545)	19,545	6,649	(12,896)
Bond proceeds	-	-	-	-
Designated cash	29,814	(9,276)	-	9,276
<i>Total other financing sources (uses)</i>	10,269	10,269	6,649	(3,620)
<i>Net change in fund balances</i>	-	-	9,276	9,276
<i>Fund balances - beginning of year</i>	-	-	(9,276)	(9,276)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 9,276	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-16

**MATERNAL HEALTH - SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	14,172	14,172	14,172	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>14,172</u>	<u>14,172</u>	<u>14,172</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>14,172</u>	<u>14,172</u>	<u>14,172</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	(14,172)	(14,172)	-	14,172
<i>Total other financing sources (uses)</i>	<u>(14,172)</u>	<u>(14,172)</u>	<u>-</u>	<u>14,172</u>
<i>Net change in fund balances</i>	-	-	14,172	14,172
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(14,172)</u>	<u>(14,172)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(29)	
Expenditure accruals			<u>-</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 14,143</u>	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-17

**RURAL PRIMARY HEALTH CARE ACT - SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	160,167	160,167	149,000	(11,167)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	160,167	160,167	149,000	(11,167)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	160,167	160,167	149,000	11,167
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	160,167	160,167	149,000	11,167
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(333)	
Expenditure accruals			26,167	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 25,834	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-18

**CDBG WATER SYSTEM IMPROVEMENT - SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	530,000	530,000	392,227	(137,773)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>530,000</u>	<u>530,000</u>	<u>392,227</u>	<u>(137,773)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	530,000	530,000	392,227	137,773
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>530,000</u>	<u>530,000</u>	<u>392,227</u>	<u>137,773</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(23,448)	
Expenditure accruals			<u>3,898</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (19,550)</u>	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-19

EMERGENCY MANAGEMENT - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	25,118	25,118	10,406	(14,712)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	25,118	25,118	10,406	(14,712)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	19,496	26,451	25,896	555
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	33,000	15,520	17,480
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	19,496	59,451	41,416	18,035
<i>Excess (deficiency) of revenues over expenditures</i>	5,622	(34,333)	(31,010)	3,323
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	(24,886)	24,886	24,886	-
Bond proceeds	-	-	-	-
Designated cash	19,264	9,447	-	(9,447)
<i>Total other financing sources (uses)</i>	(5,622)	34,333	24,886	(9,447)
<i>Net change in fund balances</i>	-	-	(6,124)	(6,124)
<i>Fund balances - beginning of year</i>	-	-	(30,508)	(30,508)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (36,632)	\$ (36,632)
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(4,718)	
Expenditure accruals			(1,350)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (12,192)	

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



**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-20

E-911 ENHANCED - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	313,532	313,532	85,124	(228,408)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>313,532</u>	<u>313,532</u>	<u>85,124</u>	<u>(228,408)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	313,532	1,405,193	85,124	1,320,069
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>313,532</u>	<u>1,405,193</u>	<u>85,124</u>	<u>1,320,069</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(1,091,661)</u>	<u>-</u>	<u>1,091,661</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	-	1,091,661	-	(1,091,661)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>1,091,661</u>	<u>-</u>	<u>(1,091,661)</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-21

SENIOR CITIZENS - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	125,788	125,788	122,858	(2,930)
Licenses and fees	-	-	-	-
Charges for services	-	-	70	70
Investment income	-	-	-	-
Miscellaneous	16,000	16,000	16,430	430
<i>Total revenues</i>	<u>141,788</u>	<u>141,788</u>	<u>139,358</u>	<u>(2,430)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	162,083	191,002	157,497	33,505
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>162,083</u>	<u>191,002</u>	<u>157,497</u>	<u>33,505</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(20,295)</u>	<u>(49,214)</u>	<u>(18,139)</u>	<u>31,075</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	(12,623)	12,623	12,623	-
Bond proceeds	-	-	-	-
Designated cash	32,918	36,591	-	(36,591)
<i>Total other financing sources (uses)</i>	<u>20,295</u>	<u>49,214</u>	<u>12,623</u>	<u>(36,591)</u>
<i>Net change in fund balances</i>	-	-	(5,516)	(5,516)
<i>Fund balances - beginning of year</i>	-	-	10,754	10,754
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,238</u>	<u>\$ 5,238</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(25,027)	
Expenditure accruals			<u>(201)</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (30,744)</u>	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**

Statement B-22

LIBRARY - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	270,833	270,833	536	(270,297)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>270,833</u>	<u>270,833</u>	<u>536</u>	<u>(270,297)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	270,402	270,402	123	270,279
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>270,402</u>	<u>270,402</u>	<u>123</u>	<u>270,279</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>431</u>	<u>431</u>	<u>413</u>	<u>(18)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	(431)	(431)	-	431
<i>Total other financing sources (uses)</i>	<u>(431)</u>	<u>(431)</u>	<u>-</u>	<u>431</u>
<i>Net change in fund balances</i>	-	-	413	413
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(413)</u>	<u>(413)</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 413</u>	

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

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**CAPITAL PROJECT FUNDS**

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## STATE OF NEW MEXICO

Statment C-1

## GUADALUPE COUNTY

## CAPITAL PROJECT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	330,781	\$ 330,781
Intergovernmental	1,744,114	1,851,192	1,133,549	(717,643)
Licenses and fees	-	-	-	-
Charges for services	25,000	287,689	456,752	169,063
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,769,114</u>	<u>2,138,881</u>	<u>1,921,082</u>	<u>(217,799)</u>
<i>Expenditures:</i>				
Current				
General Government	1,834,601	2,007,559	1,101,188	906,371
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	520,746	517,375	448,639	68,736
Debt service				
Principal	104,100	104,100	103,202	898
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,459,447</u>	<u>2,629,034</u>	<u>1,653,029</u>	<u>976,005</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(690,333)</u>	<u>(490,153)</u>	<u>268,053</u>	<u>758,206</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	(24,049)	(24,049)
Bond proceeds	-	-	-	-
Designated cash	690,333	490,153	-	(490,153)
<i>Total other financing sources (uses)</i>	<u>690,333</u>	<u>490,153</u>	<u>(24,049)</u>	<u>(514,202)</u>
<i>Net change in fund balances</i>	-	-	244,004	244,004
<i>Fund balances - beginning of year</i>	-	-	424,422	424,422
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 668,426</u>	<u>\$ 668,426</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			(10,657)	
Adjustments to expenditures (liabilities)			<u>24,370</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 257,717</u>	

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

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**FIDUCIARY FUNDS**

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## **FIDUCIARY FUNDS**

### **AGENCY FUNDS**

**Agency Funds** – To account for the collection and payment of property taxes and special fees to other governmental agencies. Agency funds are purely custodial and do not involve measurement of results of operations.

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## STATE OF NEW MEXICO

Statement E-1

## GUADALUPE COUNTY

## STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES

## AGENCY FUNDS

YEAR ENDED JUNE 30, 2007

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
<b>ASSETS</b>				
Property taxes recievable	\$ 331,479	\$ 1,573,249	\$ 1,510,874	393,854
<i>Total assets</i>	<u>\$ 331,479</u>	<u>\$ 1,573,249</u>	<u>\$ 1,510,874</u>	<u>\$ 393,854</u>
<b>LIABILITIES</b>				
Due to other taxing units	\$ 331,479	\$ 1,573,249	\$ 1,510,874	\$ 393,854
<i>Total liabilities</i>	<u>\$ 331,479</u>	<u>\$ 1,573,249</u>	<u>\$ 1,510,874</u>	<u>\$ 393,854</u>

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

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**SUPPORTING SCHEDULES**

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**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**JUNE 30, 2007**

Schedule I

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2007	Name and Location of Safekeeper
Wells Fargo Bank	FNCL 867437 5/1/2036		Wells Fargo Bank, N.A.
	Cusip 31409CV69 6.0%	\$ 2,369,083	California
	GS2SF 3296, 10/20/2032		Wells Fargo Bank, N.A.
	Cusip 36202DUV1 6.0%	88,186	California
	GNSF 781071, 07/15/2029		Wells Fargo Bank, N.A.
	Cusip 36225BFL7 7.0%	44,035	California
	GNSF 781118, 10/15/29		Wells Fargo Bank, N.A.
	Cusip 36225BG36 6.5%	50,797	California
	GNSF 781264, 03/15/2031		Wells Fargo Bank, N.A.
	Cusip 36225BMM7 6.0%	18,547	California
	GNSF 781265, 12/15/2029		Wells Fargo Bank, N.A.
	Cusip 36225BMM5 6.5%	20,286	California
	GNSF 781278, 04/31/2031		Wells Fargo Bank, N.A.
	Cusip 36225BM39 6.0%	173,864	California
GNSF 781280, 04/31/2031		Wells Fargo Bank, N.A.	
Cusip 36225BM54 6.0%	<u>61,799</u>	California	
Total Pledged Collateral		<u>2,826,597</u>	

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

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**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS**  
**JUNE 30, 2007**

Schedule II

<u>Bank Account Type/Name</u>	<u>Bank of America</u>	<u>Wells Fargo Bank</u>	<u>NM State Treasurer</u>	<u>Totals</u>
Checking - Operating Repurchase Account	\$ -	\$ 1,951,788	\$ -	\$ 1,951,788
Checking - Savings Account	-	108,524	-	108,524
Checking - The Geo Group Account	-	1,050,754	-	1,050,754
Checking - Deferred Comp Account	-	785	-	785
Checking - Courthouse	5,236	-	-	5,236
Checking - Road/Solidwaste	258	-	-	258
Checking - Courthouse Reserve	31,109	-	-	31,109
Checking - Road/Solidwaste Reserve	44,636	-	-	44,636
Certificates of Deposit	-	600,000	100,000	700,000
Total On Deposit	81,239	3,711,851	100,000	3,893,090
Reconciling Items	-	(1,153,132)	-	(1,153,132)
Reconciled Balance June 30, 2007	<u>\$ 81,239</u>	<u>\$ 2,558,719</u>	<u>\$ 100,000</u>	<u>\$ 2,739,958</u>
Petty Cash				<u>445</u>
Combined Balance Sheet Total June 30, 2007				<u>\$ 2,740,403</u>

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

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STATE OF NEW MEXICO  
 GUADALUPE COUNTY

Schedule III

TAX ROLL RECONCILIATION - CHANGES IN PROPERTY TAXES RECEIVABLE  
 FOR THE YEAR ENDED JUNE 30, 2007

Property taxes receivable, beginning of year	\$ 607,333
Changes to Tax Roll:	
Net taxes charged to treasurer for fiscal year	3,035,773
Adjustments:	
Increases in taxes receivables	(36,305)
Charge off of taxes receivables	<u>1,708</u>
 Total receivables prior to collections	 3,608,509
 Collections for fiscal year ended June 30, 2007	 <u>(2,900,776)</u>
 Property taxes receivable, end of year	 <u>\$ 707,733</u>
Property taxes receivable by years:	
1997	\$ 7,859
1998	13,287
1999	14,832
2000	6,893
2001	22,901
2002	31,702
2003	20,774
2004	105,488
2005	208,010
2006	<u>275,987</u>
 Total taxes receivable	 <u>\$ 707,733</u>

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

State of New Mexico - Guadalupe County  
Tax Reconciliation - Collections and Distributions  
For the Year Ended June 30, 2007

	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year-End	County Receivable at Year-End
<b>Guadalupe County</b>									
Guadalupe County 1997	670,239	33	666,951	33	666,951	-	-	-	3,288
Guadalupe County 1998	685,409	29	680,609	29	680,609	-	-	-	4,800
Guadalupe County 1999	800,925	293	796,552	293	796,552	-	-	-	4,373
Guadalupe County 2000	849,970	376	846,263	376	846,263	-	-	-	3,707
Guadalupe County 2001	906,459	395	899,261	395	899,261	-	-	-	7,198
Guadalupe County 2002	911,803	746	905,805	746	905,805	-	-	-	5,998
Guadalupe County 2003	923,966	1,938	917,725	1,938	917,725	-	-	-	6,241
Guadalupe County 2004	1,012,256	14,762	980,927	14,762	980,927	-	-	-	31,329
Guadalupe County 2005	1,057,574	33,650	987,437	33,650	987,437	-	-	-	70,137
Guadalupe County 2006	992,363	901,263	907,623	901,263	907,623	-	-	-	84,740
Total Guadalupe County	8,810,964	953,485	8,589,153	953,485	8,589,153	-	-	-	221,811
Administrative fees 1997	354	-	272	-	272	-	-	-	82
Administrative fees 1998	719	-	315	-	315	-	-	-	404
Administrative fees 1999	345	-	264	-	264	-	-	-	81
Administrative fees 2000	377	-	330	-	330	-	-	-	47
Administrative fees 2001	236	-	229	-	229	-	-	-	8
Administrative fees 2002	353	-	350	-	350	-	-	-	3
Administrative fees 2003	244	-	241	-	241	-	-	-	2
Administrative fees 2004	1,025	-	900	-	900	-	-	-	124
Administrative fees 2005	272	18	256	18	256	-	-	-	16
Administrative fees 2006	272	214	214	214	214	-	-	-	58
Total administrative fees	4,198	232	3,370	232	3,370	-	-	-	828
Omitted assessments fee 1997	-	-	-	-	-	-	-	-	-
Omitted assessments fee 1998	-	-	-	-	-	-	-	-	-
Omitted assessments fee 1999	-	-	-	-	-	-	-	-	-
Omitted assessments fee 2000	-	-	-	-	-	-	-	-	-
Omitted assessments fee 2001	190	-	190	-	190	-	-	-	-
Omitted assessments fee 2002	-	-	-	-	-	-	-	-	-
Omitted assessments fee 2003	-	-	-	-	-	-	-	-	-
Omitted assessments fee 2004	-	-	-	-	-	-	-	-	-
Omitted assessments fee 2005	-	-	-	-	-	-	-	-	-
Omitted assessments fee 2006	-	-	-	-	-	-	-	-	-
Total omitted assessments fee	190	-	190	-	190	-	-	-	-

Guadalupe County Hospital 1997	254,500	9	253,533	18	253,533	-	-	-	967
Guadalupe County Hospital 1998	260,368	12	258,635	12	258,635	-	-	-	1,733
Guadalupe County Hospital 1999	302,493	107	300,665	107	300,665	-	-	-	1,828
Guadalupe County Hospital 2000	320,368	145	319,025	145	319,025	-	-	-	1,343
Guadalupe County Hospital 2001	357,145	164	354,091	164	354,091	-	-	-	3,054
Guadalupe County Hospital 2002	360,943	350	355,924	350	355,924	-	-	-	5,019
Guadalupe County Hospital 2003	363,521	986	360,682	986	360,682	-	-	-	2,839
Guadalupe County Hospital 2004	396,779	5,962	384,271	5,962	384,271	-	-	-	12,508
Guadalupe County Hospital 2005	414,600	15,082	387,816	15,082	387,816	-	-	-	26,784
Guadalupe County Hospital 2006	389,988	350,993	354,823	350,993	354,823	-	-	-	35,165
Total Guadalupe County Hospital	<u>3,420,705</u>	<u>373,810</u>	<u>3,329,465</u>	<u>373,819</u>	<u>3,329,465</u>	-	-	-	<u>91,240</u>
Total Guadalupe County	<u>12,236,057</u>	<u>1,327,527</u>	<u>11,922,178</u>	<u>1,327,536</u>	<u>11,922,178</u>	-	-	-	<u>313,879</u>

#### State of New Mexico

New Mexico State Treasurers 1997	111,760	5	111,393	5	111,393	-	-	-	367
New Mexico State Treasurers 1998	132,718	4	131,444	4	131,444	-	-	-	1,274
New Mexico State Treasurers 1999	155,207	38	162,456	38	162,456	-	-	-	(7,249)
New Mexico State Treasurers 2000	162,052	55	159,668	55	159,668	-	-	-	2,384
New Mexico State Treasurers 2001	182,699	68	180,494	68	180,494	-	-	-	2,205
New Mexico State Treasurers 2002	132,881	92	125,973	92	125,973	-	-	-	6,908
New Mexico State Treasurers 2003	164,939	368	163,505	368	163,505	-	-	-	1,434
New Mexico State Treasurers 2004	128,119	1,326	123,128	1,326	123,128	-	-	-	4,991
New Mexico State Treasurers 2005	163,826	5,807	153,166	5,807	153,166	-	-	-	10,660
New Mexico State Treasurers 2006	161,590	143,974	144,972	143,974	144,972	-	-	-	16,618
Total New Mexico State Treasurers	<u>1,495,791</u>	<u>151,737</u>	<u>1,456,199</u>	<u>151,737</u>	<u>1,456,199</u>	-	-	-	<u>39,592</u>
Total State of New Mexico	<u>1,495,791</u>	<u>151,737</u>	<u>1,456,199</u>	<u>151,737</u>	<u>1,456,199</u>	-	-	-	<u>39,592</u>

#### Municipalities

Municipality of Santa Rosa 1997	83,947	-	84,021	-	84,021	-	-	-	(74)
Municipality of Santa Rosa 1998	93,927	-	93,875	-	93,875	-	-	-	52
Municipality of Santa Rosa 1999	130,030	97	128,859	97	128,859	-	-	-	1,171
Municipality of Santa Rosa 2000	141,248	120	141,232	120	141,232	-	-	-	16
Municipality of Santa Rosa 2001	157,192	109	155,211	109	155,211	-	-	-	1,981
Municipality of Santa Rosa 2002	164,346	186	163,642	186	163,642	-	-	-	704
Municipality of Santa Rosa 2003	170,786	504	169,489	504	169,489	-	-	-	1,297
Municipality of Santa Rosa 2004	179,905	1,183	175,849	1,183	175,849	-	-	-	4,056
Municipality of Santa Rosa 2005	197,870	7,749	183,988	7,749	183,988	-	-	-	13,882
Municipality of Santa Rosa 2006	177,868	161,815	163,501	161,815	163,501	-	-	-	14,367
Total Municipality of Santa Rosa	<u>1,497,118</u>	<u>171,763</u>	<u>1,459,666</u>	<u>171,763</u>	<u>1,459,666</u>	-	-	-	<u>37,451</u>

Municipality of Vaughn 1997	33,644	-	33,920	-	33,920	-	-	-	(276)
Municipality of Vaughn 1998	34,209	-	34,364	-	34,364	-	-	-	(155)
Municipality of Vaughn 1999	41,263	-	41,939	-	41,939	-	-	-	(677)
Municipality of Vaughn 2000	43,102	39	42,825	39	42,825	-	-	-	277
Municipality of Vaughn 2001	44,949	52	44,782	52	44,782	-	-	-	167
Municipality of Vaughn 2002	43,899	52	45,945	52	45,945	-	-	-	(2,046)
Municipality of Vaughn 2003	46,232	168	45,751	168	45,751	-	-	-	481
Municipality of Vaughn 2004	47,003	537	46,032	537	46,032	-	-	-	971
Municipality of Vaughn 2005	48,147	2,174	46,850	2,174	46,850	-	-	-	1,297
Municipality of Vaughn 2005	47,241	43,008	43,901	43,008	43,901	-	-	-	3,340
Total Municipality of Vaughn	429,688	46,030	426,309	46,030	426,309	-	-	-	3,379
Total Municipalities	1,926,806	217,793	1,885,975	217,793	1,885,975	-	-	-	40,830
<b>School District</b>									
Santa Rosa Consolidated School #8 1997	499,436	38	497,877	38	497,877	-	-	-	1,559
Santa Rosa Consolidated School #8 1998	407,795	26	403,525	26	403,525	-	-	-	4,270
Santa Rosa Consolidated School #8 1999	651,001	293	647,825	293	647,825	-	-	-	3,176
Santa Rosa Consolidated School #8 2000	642,181	320	639,908	320	639,908	-	-	-	2,273
Santa Rosa Consolidated School #8 2001	637,699	297	630,999	297	630,999	-	-	-	6,700
Santa Rosa Consolidated School #8 2002	669,871	743	658,250	743	658,250	-	-	-	11,621
Santa Rosa Consolidated School #8 2003	679,174	2,127	673,303	2,127	673,303	-	-	-	5,871
Santa Rosa Consolidated School #8 2004	723,605	12,825	709,371	12,825	709,371	-	-	-	14,234
Santa Rosa Consolidated School #8 2005	789,390	31,380	723,591	31,380	723,591	-	-	-	65,799
Santa Rosa Consolidated School #8 2006	855,047	756,323	762,826	756,323	762,826	-	-	-	92,221
Total Santa Rosa Consolidated School #8	6,555,199	804,372	6,347,475	804,372	6,347,475	-	-	-	207,724
Vaughn Municipal School #33 1997	117,003	-	115,896	-	115,896	-	-	-	1,107
Vaughn Municipal School #33 1998	108,602	-	109,196	-	109,196	-	-	-	(594)
Vaughn Municipal School #33 1999	86,416	-	74,298	-	74,298	-	-	-	12,118
Vaughn Municipal School #33 2000	115,158	38	114,581	38	114,581	-	-	-	577
Vaughn Municipal School #33 2001	154,404	68	154,046	68	154,046	-	-	-	358
Vaughn Municipal School #33 2002	129,114	58	128,797	58	128,797	-	-	-	317
Vaughn Municipal School #33 2003	167,311	242	166,357	242	166,357	-	-	-	954
Vaughn Municipal School #33 2004	182,473	809	150,605	809	150,605	-	-	-	31,868
Vaughn Municipal School #33 2005	169,753	4,228	170,979	4,228	170,979	-	-	-	(1,226)
Vaughn Municipal School #33 2006	186,161	179,370	180,688	179,370	180,688	-	-	-	5,473
Total Vaughn Municipal School #33	1,416,395	184,813	1,365,443	184,813	1,365,443	-	-	-	50,952
Total school district	7,971,594	989,185	7,712,918	989,185	7,712,918	-	-	-	258,676



**Special District**

Luna Vocational Technical Institute 1997	124,464	9	123,781	9	123,781	-	-	-	683
Luna Vocational Technical Institute 1998	129,847	8	128,509	8	128,509	-	-	-	1,338
Luna Vocational Technical Institute 1999	153,597	72	152,999	72	152,999	-	-	-	598
Luna Vocational Technical Institute 2000	164,591	84	163,773	84	163,773	-	-	-	818
Luna Vocational Technical Institute 2001	177,400	85	175,595	85	175,595	-	-	-	1,805
Luna Vocational Technical Institute 2002	175,645	179	172,719	179	172,719	-	-	-	2,926
Luna Vocational Technical Institute 2003	180,410	466	179,022	466	179,022	-	-	-	1,388
Luna Vocational Technical Institute 2004	204,685	3,598	200,857	3,598	200,857	-	-	-	3,828
Luna Vocational Technical Institute 2005	213,954	7,975	195,828	7,975	195,828	-	-	-	18,126
Luna Vocational Technical Institute 2006	196,076	174,121	175,491	174,121	175,491	-	-	-	20,585
Total Luna Vocational Technical Institute	<u>1,720,669</u>	<u>186,597</u>	<u>1,668,574</u>	<u>186,597</u>	<u>1,668,574</u>	-	-	-	<u>52,095</u>
Watermaster 1997	2,659	-	2,521	-	2,521	-	-	-	138
Watermaster 1998	2,659	-	2,524	-	2,524	-	-	-	135
Watermaster 1999	2,643	-	2,549	-	2,549	-	-	-	94
Watermaster 2000	3,595	-	3,400	-	3,400	-	-	-	195
Watermaster 2001	2,328	-	2,618	-	2,618	-	-	-	(289)
Watermaster 2002	4,087	2	3,872	2	3,872	-	-	-	215
Watermaster 2003	4,827	2	4,605	2	4,605	-	-	-	222
Watermaster 2004	5,515	206	5,244	206	5,244	-	-	-	271
Watermaster 2005	3,296	706	3,180	706	3,180	-	-	-	116
Watermaster 2006	3,873	3,143	3,147	3,143	3,147	-	-	-	726
Total Watermaster	<u>35,482</u>	<u>4,059</u>	<u>33,660</u>	<u>4,059</u>	<u>33,660</u>	-	-	-	<u>1,822</u>
Guadalupe Soil and Water 1997	4,702	1	4,684	1	4,684	-	-	-	18
Guadalupe Soil and Water 1998	4,725	1	4,697	1	4,697	-	-	-	28
Guadalupe Soil and Water 1999	19,998	4	20,679	4	20,679	-	-	-	(681)
Guadalupe Soil and Water 2000	16,665	4	21,409	4	21,409	-	-	-	(4,744)
Guadalupe Soil and Water 2001	24,933	6	25,218	6	25,218	-	-	-	(285)
Guadalupe Soil and Water 2002	23,293	13	23,257	13	23,257	-	-	-	36
Guadalupe Soil and Water 2003	23,359	21	23,314	21	23,314	-	-	-	45
Guadalupe Soil and Water 2004	23,454	834	22,146	834	22,146	-	-	-	1,308
Guadalupe Soil and Water 2005	26,067	436	23,648	436	23,648	-	-	-	2,419
Guadalupe Soil and Water 2006	25,294	22,558	22,600	22,558	22,600	-	-	-	2,694
Total Guadalupe Soil and Water	<u>192,491</u>	<u>23,878</u>	<u>191,652</u>	<u>23,878</u>	<u>191,652</u>	-	-	-	<u>839</u>
Total special district	<u>1,948,642</u>	<u>214,534</u>	<u>1,893,886</u>	<u>214,534</u>	<u>1,893,886</u>	-	-	-	<u>54,756</u>
Grand total	<u>25,578,889</u>	<u>2,900,776</u>	<u>24,871,156</u>	<u>2,900,785</u>	<u>24,871,156</u>	-	-	-	<u>707,733</u>

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**COMPLIANCE SECTION**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Hector H. Balderas  
New Mexico State Auditor  
The Office of Management and Budget  
The Board of Guadalupe County Commissioners  
Guadalupe County  
Santa Rosa, New Mexico

We have audited the financial statements of the governmental activities, each major fund, each component unit, budgetary comparisons for the general fund and major special revenue funds and the aggregate remaining fund information of Guadalupe County, New Mexico, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated April 17, 2009. We also have audited the financial statements of each of the County's major capital project funds, non-major governmental and fiduciary funds, including budgetary comparisons, presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2007, as listed in the table of contents, and have issued our report thereon dated April 17, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Guadalupe County, New Mexico's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Guadalupe 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 the internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatements 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 described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting as findings FS 06-01, FS 06-03, FS 06-06, FS 06-07, FS 07-01, and FS 07-02.

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

Our consideration of the internal control over financial reporting was for the limited purposes 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,

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accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider FS 06-01 and FS 06-06 to be material weaknesses.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Guadalupe County, New Mexico's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items FS 06-03 and FS 06-07.

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as findings FS 07-01 and FS 07-02.

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

This report is intended solely for the information and use of the audit committee, County commission, County management, others within the organization, the Office of the State Auditor, the New Mexico State Legislature and its committees, 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.



Albuquerque, New Mexico  
April 17, 2009

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**Section II – FINANCIAL STATEMENT FINDINGS**

**FS 06-1 — Financial Records, Repeated**

*Condition:* The County does not maintain a complete, balance general ledger. Cash receipts and disbursements are recorded in the accounting system; however, accruals are not made for accounts receivable, accounts payable or deferred revenue. In addition, the County does not record its capital leases payable and notes payable. Finally, the County's restricted cash account related to the New Mexico Finance Authority loan is not being reconciled and recorded on the general ledger.

*Criteria:* Sound accounting policies require that a complete, balanced general ledger be maintained to record transactions and report financial information. In addition, accounting principles generally accepted in the United States of America for governments require that certain accruals be made for accounts receivable, accounts payable and deferred revenue and long-term debt accounts be maintained.

*Effect:* The absence of complete and accurate financial statements on a periodic basis results in management decisions based on incomplete and/or inaccurate information during the fiscal year.

*Cause:* The County's system does not permit for the preparation of financial statements on a basis consistent with generally accepted accounting principles.

*Auditors' Recommendations:* The County must utilize the accounting system to maintain a complete and balanced general ledger. Transactions such as accounts receivable, accounts payable and deferred revenue should be recorded periodically to ensure completeness of financial statements reported to the governing council.

*Management's Response:* Management agrees and County staff continues to work with Triadic consultants to develop our program to produce all the financial documents that are necessary to meet our needs. The County has also been looking into other software for governmental accounting to meet our needs. The county staff is continuing to record accruals in conformity with generally accepted accounting principles.

**FS 06-03 — Audit Report Not Submitted Timely, Repeated**

*Condition:* The County's audit report for the year ended June 30, 2007 was not submitted to the State Auditor by the required due date, November 15, 2007.

*Criteria:* Audit reports not received on or before the due date, November 15, are considered to be in non-compliance with requirements of Section 2.2.2.9.A of the State Audit Rule.

*Effect:* The result was the late submission of the County's audit report for the year ended June 30, 2007.

*Cause:* Accounting records were not completed in time to ensure the submission of a timely audit report.

*Auditors' Recommendations:* The County should ensure that their books of record are closed so that future reports can be submitted timely. The County is making efforts to ensure the County's reports are submitted timely in the future; however, it may take a couple of years to catch up on the process.

*Management's Response:* Management agrees and County staff will take the necessary steps to ensure that timely submission of the accounting records are available for future audits.



**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**FS 06-06— Capital Assets, Repeated**

*Condition:* During our test work, we noted that the County's fixed asset records do not appear to be reconciling with the general ledger. In prior years, the County relied on the audit to provide depreciation calculations which were reported in the audited financial statements. However, the County never agreed their records to reflect the audited capital assets.

*Criteria:* According to NMAC 6.20.2.22 C, assets of a long-term character which are intended to continue to be held or used, such as land, buildings, furniture, machinery and equipment shall be acquired and accounted for through the development and implementation of a complete property control system which shall be adopted by the local board and in accordance with GAAP.

*Effect:* The County does not have a capital asset listing, including accumulated depreciation, which agrees to the general ledger and the audited financial statements.

*Cause:* The County relied on audit procedures to roll forward fixed asset balances as well as to calculate depreciation expense in prior years and maintained their own property control system, but it was not in agreement with audited figures.

*Auditors' Recommendations:* The County must implement a property control system in accordance with NMAC 6.20.2.22 C in order to have an accurate capital asset listing and to be able to calculate depreciation on those assets. The County must insure that its capital asset listing is complete, accurate and in agreement with the general ledger and the financial statements. The County must accomplish this through the performance of a capital asset inventory.

*Management's Response:* Management agrees and County staff continues to work on performing a capital asset inventory to ensure that its capital asset listing is complete and accurate with the general ledger and financial statements. The County has also been looking into other governmental accounting software to meet our needs.

**FS 06-07 SAS 112 Compliance, Repeated**

*Condition:* The individuals responsible for the accounting and reporting functions for the County lack the skills and knowledge to apply generally accepted accounting principles in preparing the entity's financial statements. The accounting management has not obtained training to adequately apply generally accepted accounting principles, which includes GASB 34 and subsequent pronouncements.

*Criteria:* Statement on Auditing Standards (SAS) 112, Communication of Internal Control Related Matters Identified in an Audit, requires that management clearly accept responsibility for preparing all financial information and company's financial statements.

*Effect:* The County, without the aid of its auditors, is unable to accurately prepare financial statements in accordance with governmental accounting standards with regard to applying generally accepted accounting principles.

*Cause:* Individuals responsible for the accounting and reporting functions for the County had not received training in preparing governmental financial statements in accordance with GASB (Governmental Accounting Standards Board) Statement No 34 and subsequent pronouncements as of June 30, 2007. As such, the county elected to have its auditors draft the financial statements.

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

*Management Response:* The County's Staff is continuing to receive education and training to enhance their skills in accounting to become compliant with Statement on Auditing Standards (SAS) 112.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**FS 07-01 Travel & Per Diem Advance**

*Condition:* During test work conducted in relation to cash disbursements it was noted that three (3) transactions out of twenty five (25) were paid fully in advance for mileage and/or per diem. During travel and per diem testwork we noted that nine (9) transactions out of ten (10) transactions were paid fully in advance.

*Criteria:* NMAC 2.42.2.10 sets guidelines regarding the payment of per diem and mileage costs in advance. Per diem and mileage costs are allowed, with approval of the local public body, to be paid up to eighty percent (80%) in advance.

*Effect:* The County is not in compliance with NMAC 2.42.2.10.

*Cause:* The County did not have a control in place to ensure that mileage and per diem costs paid in advance are within compliance and amounts paid are below statutory maximums.

*Auditor's Recommendation:* We recommend that the County implement the use of a mileage and per diem reimbursement/advance for with a reminder of the 80% limit on advances in order to comply with NMAC 2.42.2.10 in the future.

*Management Response:* Management is in agreement with this finding and will take the necessary steps to be in compliance with NMAC 2.42.2.10 guidelines.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**Guadalupe County - Hospital**

**FS 07-02 — Purchase Order Procedures**

*Condition:* There were two instances in a sample of twenty-five purchase orders that were signed with the “quantity” left blank. Through further discussion, we determined that invoices are sometimes paid without the required supporting documentation attached. It was mentioned by the Business Office Accountant that in some cases she has paid for items that have not yet been received and purchase orders were prepared after the invoice was received.

*Criteria:* Adequate procedures regarding cash disbursements are very important to ensure that the Hospital is only paying for approved items. According to the review of the Guadalupe County Hospital Accounting Procedures manual (pg. 19-20) “*The Administrator or Department Head must follow the following procedures in approving and processing purchase requisitions:*

- i. The quantity, description, unit cost, and extended cost are detailed for each expenditure item.*
- ii. The Department Heads route the form to the Administrator for review and signature.”*

Also

*“The Accounting manager ... for all other invoices matches the invoices with the purchase order and purchase requisition...”*

*Effect:* Payments issued for items prior to receipt or prior to approval signature cause the hospital to run a risk of overpayments, double payments, and payments for damaged goods.

*Cause:* Employees have not been consistent in following the established policies and procedures for cash disbursements.

*Auditors’ Recommendations:* To improve efficiency, achieve the necessary accountability for goods received, and prevent payment for goods not received, we recommend that either the invoice or purchase order be signed and dated when the goods are received and any discrepancies documented. We also recommend that purchase orders are filled out completely prior to approval signatures being granted. It may be necessary to provide refresher training on these controls.

*Management’s Response:* We completely agree with the finding and recommendations. We will sign and date the invoices and/or shipping slips when the items are received.

Furthermore, we will not authorize or sign purchase orders without prices listed on them. We will also document discrepancies at the time of receipt of merchandise/supplies. In order to ensure compliance, we will hold a staff meeting to refresh all employees regarding purchasing policies and procedures.

**Section III – PRIOR YEAR AUDIT FINDINGS**

- FS 06-01 — Financial Records - Repeated.
- FS 06-02 — Budgets - Resolved
- FS 06-03 — Audit Report Not Submitted Timely – Repeated.
- FS 06-04 — Purchase Orders – Resolved
- FS 06-05 — Pledged Collateral - Resolved
- FS 06-06 — Capital Assets – Repeated.
- FS 06-07 — SAS 112 Compliance – Repeated.
- FS 06-08 — Disposition of Property (Guadalupe County Hospital) – Resolved
- FS 06-09 — Pledged Collateral (Guadalupe County Hospital) – Resolved

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

**Section V – OTHER DISCLOSURES**

Auditor Prepared Financials

The financial statements presented in this report were prepared by the auditors, Griego Professional Services, LLC.

Exit Conference

The contents of this report were discussed on April 30, 2009. The following individuals were in attendance.

Guadalupe County

Glenn Gonzales, Commissioner  
Andy Madrid, County Manager  
Rose Fernandez, Finance Manager  
Marcos Salas, Treasurer  
Margarita Mireles, Deputy Treasurer  
Diana Urban, Accounting Supervisor

Griego Professional Services, LLC

J.J. Griego, CPA  
Ben Martinez, Staff Accountant