

STATE OF NEW MEXICO
GUADALUPE COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009



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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
GUADALUPE COUNTY
OFFICIAL ROSTER
JUNE 30, 2009

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

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STATE OF NEW MEXICO
GUADALUPE COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2009
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Official Roster		i
Table of Contents		ii
FINANCIAL SECTION		
Independent Auditors' Report		iii-iv
Management's Discussion and Analysis		
Basic Financial Statements		v-xii
Government-wide Financial Statements:		
Statement of Net Assets	A-1	1
Statement of Activities	A-2	3
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	5
Reconciliation of the Balance Sheet to the Statement of Net Assets		7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		10
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	C-1	11
Environmental Gross Receipts Fund	C-2	12
Road Fund	C-3	13
Indigent Fund	C-4	14
Windmill Pilot Fund	C-5	15
Statement of Fiduciary Net Assets and Liabilities for Agency Funds	E-1	16
Notes to the Financial Statements		17-41
SUPPLEMENTARY INFORMATION		
<u>Statement/ Schedule</u>		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-1	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-2	48
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:		
Farm and Range Special Revenue Fund	B-3	52
Recreation Special Revenue Fund	B-4	53
Correction Fees Special Revenue Fund	B-5	54
Anton Chico Fire Special Revenue Fund	B-6	55
Puerto de Luna Fire Special Revenue Fund	B-7	56
Guadalupe Fire Special Revenue Fund	B-8	57
County Property Valuation Special Revenue Fund	B-9	58

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**STATE OF NEW MEXICO
GUADALUPE COUNTY**

	<u>Statement/ Schedule</u>	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual: (Continued)		
Law Enforcement Special Revenue Fund	B-10	59
DWI Grant Special Revenue Fund	B-11	60
DWI Distribution Special Revenue Fund	B-12	61
DWI Screening Special Revenue Fund	B-13	62
DWI Donation Special Revenue Fund	B-14	63
Recording and Filing Special Revenue Fund	B-15	64
EMS Special Revenue Fund	B-16	65
Rural Primary Health Care Act Special Revenue Fund	B-17	66
CDBG Public Safety Building Special Revenue Fund	B-18	67
Emergency Management Special Revenue Fund	B-19	68
Homeland Security Special Revenue Fund	B-20	69
E-911 Enhanced Special Revenue Fund	B-21	70
Senior Citizens Special Revenue Fund	B-22	71
La Loma Senior Center Special Revenue Fund	B-23	72
Puerto de Luna Senior Center Special Revenue Fund	B-24	73
Capital Project Fund	C-1	74
 Statement of Changes in Assets and Liabilities for Agency Funds	 E-1	 76
 SUPPORTING SCHEDULES		
Schedule of Collateral Pledged by Depository for Public Funds	I	77
Schedule of Cash and Temporary Investment Accounts	II	78
Tax Roll Reconciliation – Changes in Property Tax Receivable	III	79
Treasurer’s Property Tax Schedule	IV	80
 COMPLIANCE SECTION		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		84
 FEDERAL FINANCIAL ASSISTANCE		
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133		86
Schedule of Expenditures of Federal Awards	V	88
Schedule of Findings and Questioned Costs		90

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FINANCIAL SECTION

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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, 2009, 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, 2009, 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 \$6,608,140 as of June 30, 2009, and total revenues of \$6,586,048 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.

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.

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, 2009, 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, 2009, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 30, 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.

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The *Management's Discussion and Analysis* at page v is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of Local Governments, and Non-Profit Organizations, and is not a required part of the 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.

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

Griego Professional Services, LLC
Albuquerque, New Mexico
October 30, 2009

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State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2009

This discussion and analysis presents the highlights of financial activities and financial position for Guadalupe County. The analysis focuses on significant financial issues, major financial activities, resulting changes in financial position, budget changes and variances from the budget, and identifies individual fund issues or concerns. It is designed to focus on the current year's activities and should be read in conjunction with the County's financial statements.

Overview of the Financial Statements

The County's basic financial statements have three components: government-wide financial statements, fund financial statements, and the notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements. Guadalupe County has six major funds (General fund, Environmental Gross Receipts, Road fund, Indigent fund, Windmill Pilot, and Capital Projects fund) and 22 nonmajor governmental funds. Nonmajor governmental funds are described beginning on page 42 of this report. Additionally, Guadalupe County has one fiduciary fund for collection and disbursement of property taxes and one component unit (Guadalupe County Hospital).

The government-wide financial statements are designed to provide readers with a broad overview of County finances as a whole in a manner similar to a private sector business. The statement of net assets presents information on all the County's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets, over time, are an indicator of whether the financial position of the County is improving or declining.

The statement of activities presents information showing how the County's assets changed during the past fiscal year. All changes in net assets are reported when the underlying event or transaction occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period such as uncollected property taxes and earned, but unused, vacation leave.

Financial Highlights

- ◆ *Net Loss*—In 2009 the County experienced a net loss of \$800,035. This is worse than the prior year gain of \$461,030. This result comes from several sources. The Capital Project Fund ended the prior year with a \$451,563 gain because not all the improvements on the renovated Court House were finished by year end. In the current year there is a loss in the Capital Project Fund of \$786,316 reflecting the completion of this project. Additionally the General Fund ended the year with a loss of \$22,262 inclusive of transfers to other funds of \$137,121. The most significant transfer from the General Fund was \$105,000 to the Corrections Fund.

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2009

- ◆ *Net Assets*—The assets of the County exceeded its liabilities at the close of FY 09 by \$2,409,493. Of this amount, \$2,124,265 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- ◆ *Revenues*—Revenues are \$1,324,010 higher than the prior year. During FY 09 the County received significant State and Federal grant monies totaling \$4,571,718. These grant revenues exceed the prior year by \$1,205,656.
- ◆ *Expenditures*—
 1. During FY 09 governmental fund expenditures exceeded revenues by \$800,035. This is attributed to unspent prior year revenues of \$786,316 that were mainly for the renovation of the County Court House. The renovation was completed during FY 09.
 2. Total expenditures in FY 09 increased from FY 08 by \$1,708,558. Of that amount, \$978,308 is increased support to the Guadalupe County Hospital. The remaining increases are in a variety of funds with the largest piece being the Court House renovation.
- ◆ Six of the nonmajor funds have deficit fund balances totaling \$13,224. These deficits will be recovered by subsequent grant receipts or general fund transfers.
- ◆ *Intergovernmental Transfers*—The County supports several of its special revenue funds with transfers from the general fund. The most significant transfer is to the corrections fund. The general fund receives transfers from its component unit, Guadalupe County Hospital.
- ◆ *Overall Financial Condition of Guadalupe County*—In FY 09 the County's expenditures exceeded its revenues by \$800,035 which was substantially from prior year unspent revenues.

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2009

Financial Statements

The County's government-wide statement of net assets and statement of activities are presented in the following tables:

Table I

Guadalupe County
Condensed Statement of Net Assets—Governmental Activities
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Assets		
Cash	\$ 2,491,393	\$ 3,268,047
Receivables	721,882	487,389
Capital assets	<u>18,554,895</u>	<u>17,184,671</u>
Total assets	<u>\$ 21,768,170</u>	<u>\$ 20,940,107</u>
Liabilities and net assets		
Current and other liabilities	\$ 725,798	\$ 529,691
Long-term liabilities	<u>1,365,875</u>	<u>1,525,866</u>
Total liabilities	<u>2,091,673</u>	<u>2,055,557</u>
Invested in capital assets, net of related debt	17,087,300	16,436,168
Restricted net assets	285,228	1,071,544
Unrestricted net assets	<u>2,303,969</u>	<u>1,376,838</u>
Total fund balance	<u>19,676,497</u>	<u>18,884,550</u>
Total liabilities and net assets	<u>\$ 21,768,170</u>	<u>\$ 20,940,107</u>

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2009

Table II

Guadalupe County
Government-Wide
Condensed Statement of Activities—Governmental Activities
Fiscal Year Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Program revenues		
Charges for services	\$ 393,981	\$ 355,787
Operating grants and contributions	3,323,731	2,816,770
Capital grants and contributions	1,551,204	863,247
General revenues		
Taxes	1,957,603	1,846,959
Investment	14,210	27,369
Other	<u>399,168</u>	<u>233,765</u>
	<u>7,639,897</u>	<u>\6,143,897</u>
Expenditures		
General government	3,234,222	2,887,002
Highways and roads	577,885	2,091,208
Health and welfare	2,761,948	701,785
Public safety	189,742	494,899
Culture and recreation	44,623	39,050
Interest	<u>39,530</u>	<u>33,689</u>
Total expenditures	<u>6,847,950</u>	<u>6,247,633</u>
Increase in net assets	<u>791,947</u>	<u>(103,736)</u>
Transfers	<u>-</u>	<u>-</u>
Increase in net assets	<u>791,947</u>	<u>(103,736)</u>
Prior Period Adjustment	-	5,614,230
Fund balance, beginning	<u>18,884,550</u>	<u>13,374,056</u>
Fund balance, ending	<u>\$ 19,676,497</u>	<u>\$ 18,884,550</u>

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2009

Analysis of Variations From the Original and Final Amended Budget for the General Fund

- ◆ Changes in the budget—Revenues of the general fund were originally budgeted at \$1,886,901 and were increased by \$8,250 to \$1,895,151. There were two small increases: Refund and Reimbursement budgeted revenues were increased by \$4,481 and private grants were increased to \$3,769. Expenditures of the general fund were originally budgeted at \$2,195,673 and were increased by \$33,559 to \$2,229,232. The increases are made up of many small adjustments.
- ◆ Significant *revenue variances* in actual results vs. budget—Actual general fund revenues are \$85,546 more than budgeted revenues. Tax revenues were \$122,681 less than budgeted while Payment in lieu of Taxes was \$109,383 more than budgeted. Other increases account for the balance of the positive variance.
- ◆ Significant *expenditure variances* in actual results vs. budget—Actual general fund expenditures are \$386,786 less than budgeted expenditures. The most significant variance is in capital outlay where actual expenditures were less than budgeted by \$214,995 due to less expenditures than planned.
- ◆ The following table summarizes the general fund results verses the final budget. Please note that this table is based on the traditional governmental funds accounting and therefore it has some differences from the government-wide statement of revenue, expenditures, and changes in fund balance shown in Table II.

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2009

Table III

Guadalupe County
Statement of Revenues and Expenditures—
Budget and Actual—General Fund
Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 1,314,906	\$ 1,221,452	\$ (93,454)
Intergovernmental	426,281	468,180	41,899
Other	<u>153,964</u>	<u>291,065</u>	<u>137,101</u>
Total revenues	<u>1,895,151</u>	<u>1,980,697</u>	<u>85,546</u>
 Expenditures			
General Government	1,997,265	1,825,474	171,791
Capital Outlay	<u>231,967</u>	<u>16,972</u>	<u>214,995</u>
Total expenditures	<u>2,229,232</u>	<u>1,842,446</u>	<u>386,786</u>
 Revenues over expenditures	<u>(344,081)</u>	<u>138,251</u>	<u>472,332</u>
 Other financing sources (uses)			
Transfers, net	-	(137,121)	(137,121)
Designated Cash	<u>344,081</u>	<u>-</u>	<u>(344,081)</u>
Total other financing sources	<u>344,081</u>	<u>(137,121)</u>	<u>(471,202)</u>
 Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,130</u>	<u>\$ 1,130</u>

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2009

Table III — continued

Guadalupe County
Statement of Revenues and Expenditures—
Budget and Actual—General Fund
Fiscal Year Ended June 30, 2008

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 1,277,557	\$ 1,203,721	\$ (73,836)
Intergovernmental	416,500	437,360	20,860
Other	<u>142,361</u>	<u>127,727</u>	<u>(61,105)</u>
Total revenues	<u>1,836,418</u>	<u>1,768,808</u>	<u>(67,610)</u>
Expenditures			
General Government	1,827,904	1,594,961	232,943
Capital Outlay	<u>253,567</u>	<u>9,888</u>	<u>243,679</u>
Total expenditures	<u>2,081,471</u>	<u>1,604,849</u>	<u>476,622</u>
Revenues over expenditures	<u>(245,053)</u>	<u>163,959</u>	<u>409,012</u>
Other financing sources (uses)			
Transfers, net		(99,936)	(99,936)
Designated cash	<u>245,053</u>	<u>-</u>	<u>(245,053)</u>
Total other financing sources	<u>245,053</u>	<u>(99,936)</u>	<u>(344,989)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 64,023</u>	<u>\$ 64,023</u>
<u>Component Unit</u>			

The County has one component unit, which is the Guadalupe County Hospital. This is a 10-bed acute care facility that provides emergency and limited inpatient and outpatient services. It is more fully described in Note 15 to the financial statements. Financial statements for the Hospital are separately available, if you have any questions concerning the Hospital Financial Statements contact the Hospital at Guadalupe County Hospital, 720 Lake Drive, Santa Rosa, NM 88435.

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2009

Significant Capital Asset and Long-Term Debt Activity

- ◆ *Significant Capital Asset Additions*—Capital asset additions for FY 09 total \$2,936,193 and include \$1,914,957 of buildings. Most significant are the County Court House renovations and a new Anton Chico public safety building (fire station). Machinery and Equipment additions totaled \$617,721 and include three road graders, a wheel loader, a phone system and a radio tower. Additionally the County expended \$403,515 in infrastructure (roads). Note 6 to the financial statements describes the County's capital assets and the related accumulated depreciation.
- ◆ *Long-Term Debt Activity*—Note 7 to the financial statements describes all of the County's long-term debt including terms and maturities. During FY 09 the County initiated no new borrowings.

Requests for Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have any questions concerning any of the information provided in this report or need additional information, contact the County's Manager, 130 South 4th Street, Suite 101, Santa Rosa, NM 88435.

**BASIC
FINANCIAL STATEMENTS**

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

Exhibit A-1

	Governmental Activities	Component Unit
ASSETS		
Current Assets		
Cash and temporary investments	\$ 2,491,393	\$ 5,445,379
Receivables (net of allowance for uncollectibles)	721,882	483,733
Supplies inventory and other assets	-	167,753
Total Current Assets	3,213,275	6,096,865
Noncurrent Assets		
Restricted assets:		
Capital assets	36,984,379	935,021
Less: accumulated depreciation	(18,429,484)	(423,746)
Total capital assets	18,554,895	511,275
Total noncurrent Assets	18,554,895	511,275
Total assets	\$ 21,768,170	\$ 6,608,140

The accompanying notes are an integral part of these financial statements

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

Exhibit A-1

	Governmental Activities	Component Unit
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 489,594	\$ 369,068
Accrued payroll	80,481	98,075
Accrued interest	156	-
Estimated third party settlement	-	10,639
Current portion of long-term obligations	155,567	-
Total Current Liabilities	725,798	477,782
Noncurrent liabilities:		
Compensated Absences	53,847	-
Noncurrent portion of long-term obligations	1,312,028	-
Total liabilities	2,091,673	477,782
Invested in capital assets, net of related debt	17,087,300	511,275
Restricted for:		
Capital projects	285,228	-
Unrestricted	2,303,969	5,619,083
Total net assets	19,676,497	6,130,358
Total liabilities and net assets	\$ 21,768,170	\$ 6,608,140

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, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 3,234,222	\$ 82,980	\$ 1,097,591	\$ 1,308,437
Public safety	189,742	311,001	793,731	-
Culture and recreation	44,623	-	8,587	-
Health and welfare	2,761,948	-	1,423,822	242,767
Public works	577,885	-	-	-
Interest relating to long term debt	39,530	-	-	-
Total primary government	6,847,950	393,981	3,323,731	1,551,204
Component unit:				
Guadalupe County Hospital	3,663,807	3,279,803	3,748	-
Total component unit	\$ 3,663,807	\$ 3,279,803	\$ 3,748	\$ -

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
- Other Non-Operating Revenues

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

Net (Expenses) Revenue and Changes in Net Assets	
Governmental Activities	Component Unit
\$ (745,214)	\$ -
914,990	-
(36,036)	-
(1,095,359)	-
(577,885)	-
(39,530)	-
<u>(1,579,034)</u>	<u>-</u>
-	(380,256)
<u>\$ -</u>	<u>\$ (380,256)</u>
1,083,811	-
506,407	-
367,217	-
-	399,776
168	-
399,168	-
14,210	145,558
-	2,712,250
-	-
-	-
-	44,913
<u>2,370,981</u>	<u>3,302,497</u>
791,947	2,922,241
<u>18,884,550</u>	<u>3,208,117</u>
<u>\$ 19,676,497</u>	<u>\$ 6,130,358</u>

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

	General Fund 101	Environmental Gross Receipts 202	Road Fund 204
ASSETS			
<i>Current:</i>			
Cash and temporary investments	\$ 887,816	\$ 210,804	\$ 235,864
Accounts receivable			
Property taxes	286,845	-	-
Intergovernmental	-	-	32,952
Other receivables	90,553	-	-
Interfund balances	19,728	-	-
<i>Total current assets</i>	<u>\$ 1,284,942</u>	<u>\$ 210,804</u>	<u>\$ 268,816</u>
 LIABILITIES AND FUND BALANCE			
<i>Current Liabilities:</i>			
Accounts payable	\$ 52,350	\$ -	\$ 9,963
Accrued payroll	46,226	4,480	20,201
Interfund balances	-	-	-
Deferred revenue - property taxes	233,707	-	-
<i>Total current liabilities</i>	<u>332,283</u>	<u>4,480</u>	<u>30,164</u>
 <i>Fund balance:</i>			
Reserved			
Reserved for capital projects	-	-	-
Unreserved			
Undesignated, reported in			
General fund	952,659	-	-
Special revenue funds	-	206,324	238,652
<i>Total fund balance</i>	<u>952,659</u>	<u>206,324</u>	<u>238,652</u>
<i>Total liabilities and fund balance</i>	<u>\$ 1,284,942</u>	<u>\$ 210,804</u>	<u>\$ 268,816</u>

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

Indigent Fund 220	Windmill Pilot 2993	Capital Project 300	Nonmajor Governmental Funds	Total Governmental Funds
\$ 26,364	\$ 415,857	\$ 402,123	\$ 312,565	\$ 2,491,393
-	-	-	-	286,845
-	-	266,374	45,158	344,484
-	-	-	-	90,553
-	-	-	-	19,728
<u>\$ 26,364</u>	<u>\$ 415,857</u>	<u>\$ 668,497</u>	<u>\$ 357,723</u>	<u>\$ 3,233,003</u>
\$ -	\$ -	\$ 383,269	\$ 44,012	\$ 489,594
-	-	-	9,574	80,481
-	-	-	19,728	19,728
-	-	-	-	233,707
<u>-</u>	<u>-</u>	<u>383,269</u>	<u>73,314</u>	<u>823,510</u>
-	-	285,228	-	285,228
-	-	-	-	952,659
<u>26,364</u>	<u>415,857</u>	<u>-</u>	<u>284,409</u>	<u>1,171,606</u>
<u>26,364</u>	<u>415,857</u>	<u>285,228</u>	<u>284,409</u>	<u>2,409,493</u>
<u>\$ 26,364</u>	<u>\$ 415,857</u>	<u>\$ 668,497</u>	<u>\$ 357,723</u>	<u>\$ 3,233,003</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, 2009

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	\$	2,409,493
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		18,554,895
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:		
Property taxes		233,707
Accrued interest expense		(156)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Notes payable		(1,467,595)
Compensated absences		(53,847)
		<hr/>
Total Net Assets	\$	<u>19,676,497</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, 2009

	General Fund 101	Environmental Gross Receipts 202	Road Fund 204
<i>Revenues:</i>			
Property taxes	\$ 1,011,590	-	-
Gross receipts taxes	160,705	31,572	-
Other taxes	112	-	367,217
State grants	553,483	27,524	253,336
Federal grants	-	-	-
Licenses and fees	-	-	-
Charges for services	35,872	87,237	97,708
Investment income	7,257	349	758
Miscellaneous	247,936	-	-
<i>Total revenues</i>	<u>2,016,955</u>	<u>146,682</u>	<u>719,019</u>
<i>Expenditures:</i>			
Current			
General Government	1,885,124	-	-
Public safety	-	-	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Public works	-	204,009	740,337
Capital outlay	16,972	-	23,831
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>1,902,096</u>	<u>204,009</u>	<u>764,168</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>114,859</u>	<u>(57,327)</u>	<u>(45,149)</u>
<i>Other financing sources (uses):</i>			
Proceeds from note payable	-	-	-
Operating transfers in (out)	(137,121)	-	-
<i>Total other financing sources (uses)</i>	<u>(137,121)</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(22,262)	(57,327)	(45,149)
<i>Fund balances - beginning of year</i>	<u>974,921</u>	<u>263,651</u>	<u>283,801</u>
<i>Fund balances - end of year</i>	<u>\$ 952,659</u>	<u>\$ 206,324</u>	<u>\$ 238,652</u>

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

Indigent Fund 220	Windmill Pilot 2993	Capital Project 300	Nonmajor Governmental Funds	Total Governmental Funds
-	-	-	\$ -	\$ 1,011,590
131,653	-	182,477	-	506,407
-	-	-	56	367,385
1,087,009	-	1,308,179	781,966	4,011,497
-	-	-	560,221	560,221
-	-	-	216,586	216,586
-	-	253,025	3,001	476,843
260	2,770	-	2,816	14,210
-	136,568	-	18,433	402,937
<u>1,218,922</u>	<u>139,338</u>	<u>1,743,681</u>	<u>1,583,079</u>	<u>7,567,676</u>
-	-	-	80,265	1,965,389
-	-	-	1,015,717	1,015,717
-	-	-	44,623	44,623
1,224,676	-	-	384,123	1,608,799
-	-	410,550	-	1,354,896
-	-	1,875,658	264,841	2,181,302
-	-	138,165	19,260	157,425
-	-	39,560	-	39,560
<u>1,224,676</u>	<u>-</u>	<u>2,463,933</u>	<u>1,808,829</u>	<u>8,367,711</u>
<u>(5,754)</u>	<u>139,338</u>	<u>(720,252)</u>	<u>(225,750)</u>	<u>(800,035)</u>
-	-	-	-	-
-	-	(66,064)	203,185	-
-	-	(66,064)	203,185	-
(5,754)	139,338	(786,316)	(22,565)	(800,035)
<u>32,118</u>	<u>276,519</u>	<u>1,071,544</u>	<u>306,974</u>	<u>3,209,528</u>
<u>\$ 26,364</u>	<u>\$ 415,857</u>	<u>\$ 285,228</u>	<u>\$ 284,409</u>	<u>\$ 2,409,493</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, 2009

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	\$ (800,035)
--	--------------

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

Capital expenditures	2,936,193
Depreciation expense	(1,565,969)
Loss on disposal of assets	-

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	72,221
---	--------

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:

Decrease in accrued interest payable	30
Decrease in accrued compensated absences	(7,918)
Proceeds from note	-
Principal payments on notes	157,425
	157,425
Changes in Net Assets	\$ 791,947

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 1,314,906	\$ 1,314,906	\$ 1,221,452	\$ (93,454)
Intergovernmental	421,800	426,281	468,180	41,899
Licenses and fees	-	-	-	-
Charges for services	39,500	39,500	35,872	(3,628)
Investment income	20,000	20,000	7,257	(12,743)
Miscellaneous	90,695	94,464	247,936	153,472
<i>Total revenues</i>	<u>1,886,901</u>	<u>1,895,151</u>	<u>1,980,697</u>	<u>85,546</u>
<i>Expenditures:</i>				
Current				
General Government	1,949,959	1,997,265	1,825,474	171,791
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	245,714	231,967	16,972	214,995
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,195,673</u>	<u>2,229,232</u>	<u>1,842,446</u>	<u>386,786</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(308,772)</u>	<u>(334,081)</u>	<u>138,251</u>	<u>472,332</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	(137,121)	(137,121)
Bond proceeds	-	-	-	-
Designated cash	308,772	334,081	-	(334,081)
<i>Total other financing sources (uses)</i>	<u>308,772</u>	<u>334,081</u>	<u>(137,121)</u>	<u>(471,202)</u>
<i>Net change in fund balances</i>	-	-	1,130	1,130
<i>Fund balances - beginning of year</i>	-	-	906,414	906,414
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 907,544</u>	<u>\$ 907,544</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			36,258	
Expenditure accruals			(59,650)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (22,262)</u>	

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

STATE OF NEW MEXICO

Exhibit C-2

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 60,000	\$ 60,000	33,081	\$ (26,919)
Intergovernmental	-	27,100	27,524	424
Licenses and fees	-	-	-	-
Charges for services	86,000	86,000	87,237	1,237
Investment income	-	-	349	349
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>146,000</u>	<u>173,100</u>	<u>148,191</u>	<u>(24,909)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	211,573	238,673	201,540	37,133
Capital outlay	8,000	8,000	-	8,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>219,573</u>	<u>246,673</u>	<u>201,540</u>	<u>45,133</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(73,573)</u>	<u>(73,573)</u>	<u>(53,349)</u>	<u>20,224</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	73,573	73,573	-	(73,573)
<i>Total other financing sources (uses)</i>	<u>73,573</u>	<u>73,573</u>	<u>-</u>	<u>(73,573)</u>
<i>Net change in fund balances</i>	-	-	(53,349)	(53,349)
<i>Fund balances - beginning of year</i>	-	-	264,153	264,153
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,804</u>	<u>\$ 210,804</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(1,509)	
Expenditure accruals			(2,469)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (57,327)</u>	

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

STATE OF NEW MEXICO

Exhibit C-3

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 395,000	\$ 395,000	\$ 365,100	\$ (29,900)
Intergovernmental	255,800	255,800	253,336	(2,464)
Licenses and fees	-	-	-	-
Charges for services	97,708	97,708	97,708	-
Investment income	3,000	3,000	758	(2,242)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>751,508</u>	<u>751,508</u>	<u>716,902</u>	<u>(34,606)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	825,443	824,340	722,784	101,556
Capital outlay	32,000	33,098	23,831	9,267
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>857,443</u>	<u>857,438</u>	<u>746,615</u>	<u>110,823</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(105,935)</u>	<u>(105,930)</u>	<u>(29,713)</u>	<u>76,217</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	105,935	105,930	-	(105,930)
<i>Total other financing sources (uses)</i>	<u>105,935</u>	<u>105,930</u>	<u>-</u>	<u>(105,930)</u>
<i>Net change in fund balances</i>	-	-	(29,713)	(29,713)
<i>Fund balances - beginning of year</i>	-	-	265,577	265,577
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,864</u>	<u>\$ 235,864</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			2,117	
Expenditure accruals			(17,553)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (45,149)</u>	

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

STATE OF NEW MEXICO

Exhibit C-4

GUADALUPE COUNTY

INDIGENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 130,000	\$ 130,000	131,653	\$ 1,653
Intergovernmental	76,374	1,097,011	1,097,011	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,500	1,500	260	(1,240)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>207,874</u>	<u>1,228,511</u>	<u>1,228,924</u>	<u>413</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	229,987	1,250,624	1,224,676	25,948
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>229,987</u>	<u>1,250,624</u>	<u>1,224,676</u>	<u>25,948</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(22,113)</u>	<u>(22,113)</u>	<u>4,248</u>	<u>26,361</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	22,113	22,113	-	(22,113)
<i>Total other financing sources (uses)</i>	<u>22,113</u>	<u>22,113</u>	<u>-</u>	<u>(22,113)</u>
<i>Net change in fund balances</i>	-	-	4,248	4,248
<i>Fund balances - beginning of year</i>	-	-	22,116	22,116
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,364</u>	<u>\$ 26,364</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(10,002)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (5,754)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
WINDMILL PILOT FUND

Exhibit C-5

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	2,000	2,000	2,770	770
Miscellaneous	136,568	136,568	136,568	-
<i>Total revenues</i>	138,568	138,568	139,338	770
<i>Expenditures:</i>				
<i>Current</i>				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	415,019	415,019	-	415,019
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	415,019	415,019	-	415,019
<i>Excess (deficiency) of revenues over expenditures</i>	(276,451)	(276,451)	139,338	415,789
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	276,451	276,451	-	(276,451)
<i>Total other financing sources (uses)</i>	276,451	276,451	-	(276,451)
<i>Net change in fund balances</i>	-	-	139,338	139,338
<i>Fund balances - beginning of year</i>	-	-	276,519	276,519
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 415,857	\$ 415,857
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 139,338	

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

STATE OF NEW MEXICO Exhibit E-1
GUADALUPE COUNTY
STATEMENT OF FIDUCIARY NET ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2009

	<u>Agency Funds</u>
ASSETS	
Property taxes recievable	<u>\$ 338,946</u>
<i>Total assets</i>	<u><u>\$ 338,946</u></u>
 LIABILITIES	
Due to other taxing units	<u>\$ 338,946</u>
<i>Total liabilities</i>	<u><u>\$ 338,946</u></u>

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, 2009

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, 720 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, 2009

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, 2009

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 *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 *Indigent Fund* – To account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute (see Section 7-2OE-9, NMSA 1978 Compilation).

The *Windmill Pilot Fund* is funded by 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. This 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.

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, 2009

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, 2009

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 is referred to as "internal balances".

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

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

Property taxes are levied on November 1 based on the assessed value of property as listed on the previous January 1 and are due in two payments by November 10th and April 10th. Property taxes uncollected after November 10th and April 10th 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, 2009

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, 2008.

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, 2009

NOTE 1. Summary of Significant Accounting Policies (continued)

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

Fund Equity: Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance 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.

Equity Classifications: Equity is classified as net assets and displayed in three components:

- a. Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets:
Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$1,071,544 of restricted net assets.
- c. Unrestricted Net assets:
All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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.

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

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.

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, 2009 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, 2009.

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, 2009

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. This coverage has increased to \$250,000 for time and savings deposits as well as demand deposits until December 31, 2013. Additionally, until December 31, 2009, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

Deposits

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>	Coommunity 1st <u>Bank</u>	<u>Total</u>
Total amounts of deposits	\$ 1,053	\$ 106,007	\$ 107,060
FDIC coverage	<u>(1,053)</u>	<u>(106,007)</u>	<u>(107,060)</u>
Total uninsured public funds	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>
Collateral requirement (50% of uninsured public funds)	\$ ---	\$ ---	\$ ---
Pledged security	<u>---</u>	<u>---</u>	<u>---</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, 2009, none of the County's bank balance of \$107,060 was exposed to custodial credit risk.

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.

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

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	\$ 1,493,188
FDIC coverage	<u>248,947</u>
 Total uninsured public funds	 <u>\$ 1,244,241</u>
 Collateral requirement (102% of uninsured public funds)	 \$ 1,269,126
Pledged collateral	<u>1,851,748</u>
 Over collateralized	 <u>\$ 582,622</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 \$1,493,188 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, 2009 was \$1,493,188.

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, 2009 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>1,493,188</u>	<u>1,493,188</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>1,493,188</u>	<u>1,493,188</u>	<u>—</u>	<u>—</u>	<u>—</u>
U.S. Treasury Fund	135,010	135,010			
State Treasurer's Investment	100,000	100,000	—	—	—
Certificate of Deposit	<u>713,454</u>	<u>713,454</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>948,464</u>	<u>948,464</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>2,441,652</u>	<u>2,441,652</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, 2009, the County's investment of New MexiGROW LGIP had a value of \$100,000.

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

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, 2009, the County's investment of New MexiGROW LGIP had a credit risk rating of AAAM and a WAM of 46 days and the County's investment with in U.S. Treasury Fund (Bank of Albuquerque Trust Account) had a credit risk rating of AAAM and a WAM of 42 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 Certificates of Deposit, U.S. Treasury Fund (Bank of Albuquerque Trust Account), 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 it's 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, 2009. 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, 2009, are as follows:

	General Fund	Environmental Gross Receipts Fund	Road Fund	Indigent Fund	Windmill Pilot Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 286,845	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 286,845
Intergovernmental	—	—	32,952	—	—	266,374	45,158	344,484
Other Receivables	<u>90,553</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>90,553</u>
Net Receivables	<u>\$ 377,398</u>	<u>—</u>	<u>\$ 32,952</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 266,374</u>	<u>\$ 45,158</u>	<u>\$ 721,882</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 \$233,707, as presented in the general fund.

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

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 and Range	\$ 22,800
Recreation	8,990
Corrections	105,000
Puerto del Luna Senior Center	<u>331</u>
Total transfers from the General Fund	<u>\$ 137,121</u>
Transfers from Capital Projects Fund to:	
CDBG Public Safety Building	\$ 4,952
Senior Citizens	<u>61,112</u>
Total transfers from the Capital Projects Fund	<u>\$ 66,064</u>
Transfers from DWI Screening Fund to:	
DWI Distribution	<u>\$ 419</u>
Total transfers from the Capital Projects Fund	<u>\$ 419</u>

Receivables and payables from interfund transactions as of June 30, 2009 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.

	Due to <u>General Fund</u>	Due from <u>Other Funds</u>
General Fund	\$ —	\$ 19,728
DWI Grant	6,724	
Homeland Security	10	—
Senior Citizens	12,931	—
La Loma Senior Senior	62	—
Puerto del Luna Senior Center	<u>1</u>	<u>—</u>
Total due to General Fund	<u>\$ 19,728</u>	<u>\$ 19,728</u>

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

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2009, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

Governmental Activities:

	Balance <u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Adjustments</u>	Balance <u>June 30, 2009</u>
Capital Assets Used in Governmental Activities:					
Capital Assets not being depreciated:					
Construction in Progress	—	—	—	—	—
Land	\$ 72,400	\$ —	\$ —	\$ —	\$ 72,400
Subtotal	<u>72,400</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>72,400</u>
Capital Assets being depreciated:					
Buildings	4,596,886	1,914,957	—	—	6,511,843
Machinery and Equipment	5,117,849	617,721	—	—	5,735,570
Furniture and Fixtures	1,100,914	—	—	—	1,100,914
Infrastructure	<u>23,160,137</u>	<u>403,515</u>	<u>—</u>	<u>—</u>	<u>23,563,652</u>
Subtotal	<u>33,975,786</u>	<u>2,936,193</u>	<u>—</u>	<u>—</u>	<u>36,911,979</u>
Total Capital Assets	<u>\$ 34,048,186</u>	<u>\$ 2,936,193</u>	<u>\$ —</u>	<u>\$ —</u>	<u>36,984,379</u>
Less Accumulated Depreciation:					
Furniture and Fixtures	\$ 2,393,066	\$ 116,623	\$ —	\$ —	2,509,689
Buildings	3,188,634	760,929	—	—	3,949,563
Machinery and Equipment	235,014	48,943	—	—	283,957
Infrastructure	<u>11,046,801</u>	<u>639,474</u>	<u>—</u>	<u>—</u>	<u>11,686,275</u>
Total	<u>\$ 16,863,515</u>	<u>\$ 1,565,969</u>	<u>\$ —</u>	<u>\$ —</u>	<u>18,429,484</u>
Net Capital Assets	<u>\$ 17,184,671</u>	<u>\$ 1,370,224</u>	<u>\$ —</u>	<u>\$ —</u>	<u>18,554,895</u>

Depreciation expense for the year ended June 30, 2009 was charged to the following functions and funds:

Public safety	\$ 10,959
Public Works	1,126,727
Health and welfare	132,120
General government	<u>296,163</u>
Total depreciation expense: governmental activities	<u>\$ 1,565,969</u>

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

NOTE 7. Long-term Debt

During the year ended June 30, 2009, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Current</u> <u>Maturities</u>
<i>Governmental Activities:</i>					
Notes Payable	\$ 1,625,020	\$ ---	\$ 157,425	\$ 1,467,595	\$ 155,567
Compensated Absences	<u>45,929</u>	<u>54,708</u>	<u>46,790</u>	<u>53,847</u>	<u>—</u>
Total Long-Term Debt	<u>\$ 1,670,949</u>	<u>\$ 54,708</u>	<u>\$ 204,215</u>	<u>\$ 1,521,442</u>	<u>\$ 155,567</u>

The annual requirements to amortize the notes as of June 30, 2009, 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>
2010	\$ 155,567	\$ 39,738	\$ 195,305
2011	152,790	36,622	189,412
2012	90,858	33,216	124,074
2013	92,079	31,501	123,580
2014	80,376	29,710	110,086
2015-2019	347,060	100,269	447,329
2020-2024	385,480	66,599	452,079
2025-2029	<u>163,385</u>	<u>11,231</u>	<u>174,616</u>
	<u>\$ 1,467,595</u>	<u>\$ 348,886</u>	<u>\$ 1,816,481</u>

Notes Payable – The County maintains multiple loans through the New Mexico Finance Authority (NMFA). These loans are for multiple purposes including corrections improvements, police units, fire department equipment, solid waste improvements, and historical courthouse restorations. Loan payments are payable from the fund associated with the loan (corrections, fire, capital projects, etc).

Loan principal and interest payments are made on a monthly basis to the NMFA as is required per the loan's debt schedules. Interest rates on the loans vary from 0% to 3.75% and loan payments are scheduled through 2027.

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, 2009, compensated absences increased \$7,918 over the prior year accrual. See Note 1 for more details.

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

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, 2009:

Governmental Funds:

Major Funds:

None	---
Total Major Funds	---

Nonmajor Funds:

Recreation	4,384
DWI Grant	8,274
Homeland Security	10
Senior Citizen	493
La Loma Senior Center	62
Puerto del Luna	<u>1</u>
Total Nonmajor Funds	13,224

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

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

NOTE 10. Other Required Individual Fund Disclosures (continued)

B. Excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2009.

Major Funds:	
None	---
Total Major Funds	---
 Nonmajor Funds:	
DWI Grant Fund	498
Total Nonmajor Funds	\$ 498

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. The report is also available on PERA’s website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute 9.15% (regular) and 16.30% (law enforcement) of their gross salary. The County is required to contribute 9.15% (regular) and 18.50% (law enforcement) of the gross covered salary. The contribution requirements of plan members and the Guadalupe County are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The County’s contributions to PERA for the fiscal years ending June 30, 2009, 2008 and 2007 were \$120,784, \$110,714, and \$106,635, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 12. 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.

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

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.

NOTE 14. Subsequent Accounting Standard Pronouncements

In June 2007, the GASB issued Statement No. 51, *Accounting and financial Reporting for Intangible Assets*, which is effective for financial statements for periods beginning after June 15, 2009. This statement requires that all intangible assets not specifically excluded by its scope provision be classified as capital assets. The District is analyzing the effect that this standard will have on its financial statements.

In November 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, which is effective for financial statement periods beginning after June 15, 2008. This statement requires endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income.

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which is effective for financial statement periods beginning after June 15, 2009. This statement requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which is effective for financial statement periods beginning after June 15, 2010. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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

NOTE 15. Guadalupe County Hospital

Hospital Note 1. 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 County (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. 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. The agreement was renewed on May 19, 2009 for the period of July 1, 2009 through June 30, 2011.

The County may terminate the agreement, with or without cause, upon thirty (30) days written notice to New Mexicare, New Mexicare may terminate the agreement, with or without cause, upon ninety (90) days written notice to the County.

Hospital Note 2. Summary of Significant Accounting Policies

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual events and results could differ from those assumptions and estimates.

Measurement Focus and basis of Accounting. The accompanying financial statements are presented using the economic resources measurement focus and the full accrual basis of accounting. Substantially all revenues and expenses are subject to accrual.

Accounting Standards. The operations of the Hospital are presented in the accompanying basic financial statements as a single proprietary fund of the enterprise. The Hospital has no component units.

The Hospital has elected to apply the provisions of all Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements. This option was initially provided in GASB Statements No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, and was made permanent for enterprise funds such as the Hospital by GASB Statement No. 34.

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

NOTE 15. Guadalupe County Hospital (continued)

Hospital Note 2. Summary of Significant Accounting Policies (continued)

Operation Revenues and Expenses. The Hospital's statement of revenues, expenses, and changed in net assets distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – the Hospital's principal activity. Non-exchange revenues, including contributions received for purposes other than capital assets acquisitions, and additional sole community provider income, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

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.

Cash and Cash Equivalents. Cash and cash equivalents include cash on hand, demand deposits, and certificates of deposit, and money market funds.

The total balance in any single financial institution may at times exceed the \$250,000 in FDIC coverage available to individual depositors. In accordance with Section 6-10-17, NMSA, 1978 Compilation, the Hospital is required to collateralize an amount equal to one-half of the public money in excess of \$250,000 at each financial institution.

The Hospital does not have any deposits denominated in foreign currency.

Supplies Inventories. Supplies inventories consist of pharmaceutical, medical, and maintenance supplies valued at cost using the first-in, first-out method.

Capital Assets. The Hospital building is owned by the County and is included in the County's Capitalized assets. The Hospital does not pay the County for the use of the building.

Acquisitions of capital assets with an initial individual cost of \$5,000 and an estimated useful life in excess of one year are capitalized at cost. Maintenance and repairs that do not improve or extend the lives of property and equipment are charged to expense as incurred.

When assets are sold or retired, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reported in the statements of operations.

Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The estimated useful lives used to depreciate assets, by asset class are as follows:

Furniture, fixtures, and equipment	5 – 10 years
------------------------------------	--------------

Contributions. From time to time, the Hospital receives contributions from individuals and private organizations. Revenues from contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements are met. Contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operation purpose are reported as operating revenues. Amounts restricted to capital acquisitions are reported as non-operating revenues and expenses.

Mill Levy. Property taxes are levied and collected by the Guadalupe County Treasurer on behalf of the Hospital. The taxes are levied in November and payable in two installments, November 10th and April 10th. The County remits to the Hospital a percentage of the collections made during the month. Taxes are considered delinquent and subject to lien, penalty, and interest 30 days after the date on which they are due.

Donated Services and Goods. A substantial number of volunteers have donated hours to the Hospital's program services during the year; however, these donated services are not reflected in the financial statements since the

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

NOTE 15. Guadalupe County Hospital (continued)

Hospital Note 2. Summary of Significant Accounting Policies (continued)

services do not require specialized skills. Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

Restricted Resources. When the Hospital has both restricted and unrestricted resources available to finance a particular program, it is the Hospital's policy to use the restricted resources before unrestricted resources.

Vacation and Sick Leave. Hospital employees accrue vacation as a function of service. In the event of termination or retirement, an employee is reimbursed for accumulated vacation up to 240 hours. Employees with accumulated sick leave in excess of 600 hours may elect to be paid for 50% of such excess on an annual basis up to 120 hours (net 60 hours can be paid).

Net Patient Service Revenues. Net Patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Net patient service revenue also includes estimated retroactive adjustments under reimbursement agreements with third-party payors.

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Retroactive adjustments are accrued on an estimated basis in the period of the services are rendered and adjusted in future periods as final settlements are determined. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of the settlement. Estimated third-party payor settlement amounts included in the accompanying balance sheets approximate fair value.

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 possible write off. 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.

Charity Care. The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Bad debts are often indistinguishable from charity care and could also be considered a component of uncompensated care.

Net Assets. Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Hospital or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Income Taxes. The Hospital is a political subdivision of the County; therefore, it is exempt from federal and state income taxes.

Reclassifications. Certain 2008 amounts have been reclassified to be consistent with the 2009 presentation. These reclassifications have no effect on the previously reported increase in net assets.

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

NOTE 15. Guadalupe County Hospital (continued)

Hospital Note 3. Deposit Risk Disclosure

Custodial Credit Risk. Custodial credit risk is the risk, in the event of the failure of a depository financial institution, the Hospital will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Hospital does not have a deposit policy for custodial credit risk. Deposits are exposed to custodial credit risk if they are not covered by depository insurance and are (1) uncollateralized, (2) collateralized with securities held by the pledging financial institution, or (3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the Hospital's name. As of June 30, 2009, the Hospital's bank balance total of \$5,476,582 was exposed to credit risk in the amount of \$1,612,559 as follows:

Uninsured and collateral held by pledging bank's trust department not in Hospital's name	\$ <u>1,612,559</u>
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In accordance with Section 6-10-17, NMSA, 1978 Compilation, the Hospital is required to collateralize an amount equal to one-half of the public money in excess of \$250,000 at each financial institution (see Schedule of Pledged Collateral).

Credit Risk. The Hospital has no formal policy on managing credit risk. State law limits investments to United States Government obligations, commercial paper with A-1 or better ratings, corporate bonds with BBB+ or better rating, asset backed obligations with an AAA or better rating, or repurchase agreements.

Hospital Note 4. Patient Accounts Receivable

Patient accounts receivable at June 30, 2009 are summarized as follows:

	2009
Gross Patient accounts receivable	\$ 1,063,273
Contractual allowances & Allowance for doubtful accounts	(715,081)
Net Patient accounts receivable	348,192
Other Accounts Receivable	135,541
Total Accounts Receivable	\$ 483,733

Hospital Note 5. Capital Assets

Capital asset activity of the Hospital for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Construction in Progress	\$ --	\$ 449,846	--	\$ 449,846
Capital assets being depreciated				
Equipment	\$ 489,175	--	\$ (4,000)	\$ 485,175
Less accumulated depreciation				
Equipment	(406,653)	(21,093)	4,000	(423,746)
Total, depreciated, net	82,522	(21,093)	--	\$ 61,429
Total capital assets, net	\$ 82,522	\$ 428,753	\$ --	\$ 511,275

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

NOTE 15. Guadalupe County Hospital (continued)

Hospital Note 6. 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 service 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 (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.

Medicare and Medicaid costs report liabilities are as follows at June 30, 2009:

	Amount	Status
Medicare		
2006	\$ (15,518)	Final Settlement
2008	-	Tentative Settlement
2009	10,000	Not Filed
	(5,518)	
Medicaid		
2006	(2,349)	Final Settlement
2007	6,000	Unaudited
2008	2,500	Unaudited
2009	10,096	Not Filed
	16,157	
Estimated third party payor settlements	\$ 10,639	

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.

Other Third-Party Payors – The Hospital has also entered into payment agreements with certain commercial insurance carriers, HMOs, and preferred provider organizations. The basis for payment to the Hospital under these

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

NOTE 15. Guadalupe County Hospital (continued)

Hospital Note 6. Net Patient Service Revenue (continued)

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, 2009:

	<u>2009</u>
Gross charges	\$ 4,569,340
Add (less) third-party contractual adjustments and cost report settlements	(724,356)
Less bad debts and changes in allowance for uncollectible accounts	(535,994)
Less charity care	<u>(29,187)</u>
Net patient service revenue	<u>\$ 3,279,803</u>

Hospital Note 7. Operating Leases

The Hospital leases various medical equipment under operating leases, including a CT system in which the Hospital is charged per scan, with a minimum number of scans required each month. Because the charge is based on the number of scans, the Hospital reports the expense in medical fees on the statements of revenue, expenses, and changes in net assets.

The following schedule by year of future minimum lease payments under operating leases as of June 30, 2009, which have an initial lease term in excess of one year:

<u>Year Ending June 30</u>	
2010	108,300
2011	<u>9,025</u>
	<u>\$ 117,325</u>

Hospital Note 8. 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, 2009, were \$37,730 and \$18,685, respectively. Employees and employer contributions to the plan for the year ended June 30, 2008, were \$39,163 and \$19,849, respectively.

Hospital Note 9. Concentration of Credit Risk

Patient Accounts Receivable. The Hospital grants credit without collateral to its patients, most of who 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, 2009 is as follows.

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

NOTE 15. Guadalupe County Hospital (continued)

Hospital Note 9. Concentration of Credit Risk (continued)

	<u>2009</u>
Medicare	25%
Medicaid	13%
Self-pay	22%
Commercial and other	40%
Total	100%

Hospital Note 10. 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 increased 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 HIPAA.

Litigation. Management is not aware of any pending or threatened litigation or regulatory investigations. There may be however, claims that are currently unasserted which could be filed for incidents that have occurred which the Hospital is not presently aware.

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.

Hospital Note 11. Mill Levy

A New Mexico law adopted in 1980, and amended that law in 1981, that allows for counties to provide expanded tax support to qualified hospitals. The Hospital received mill levy proceeds of \$399,776 and \$413,965 in 2009 and 2008, respectively, all of which were used to support operations. The current mill levy expires May 2016.

Hospital Note 12. Sole Community Provider

The Hospital participates in a sole community provider indigent care program administered by the State of New Mexico. Revenues from this program in 2009 and 2008 were \$2,712,250 and \$222,977, respectively.

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

NOTE 15. Guadalupe County Hospital (continued)

Hospital Note 13. Related Party Transactions

The Hospital entered into the following related party transactions during the year ending June 30, 2009:

The Hospital contracts with Alamo Locums, Inc. who provides on-call emergency and urgent medical services for the Hospital. Alamo Locums is owned by the Hospital's Chief of Staff. The amount paid to Alamo Locums in fiscal year 2009 for these services was \$674,460.

The Hospital leases a Siemens Ultra-sound machine from the Santa Rosa Medical Clinic (Clinic). The Clinic's Medical Director is also the Hospital's Chief of Staff. The amount paid to the Clinic during fiscal year 2009 for this lease was \$4,080, or \$340 per month.

Hospital Note 14. Subsequent Events

Subsequent to June 30, 2009, the following material events occurred:

- The Hospital has hired an architect to design a new hospital. It is the Hospital's intent to build and move into a new hospital during the 2011 fiscal year. The cost of the new hospital is estimated to be approximately \$11,000,000. The Hospital currently has approximately \$5,000,000 in funds available to build the new Hospital.
- On September 29, 2008, the Hospital has received \$2,504,933 in sole community provider matching funds. This amount is included in the \$5,000,000 available for the new hospital building noted above.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

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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.

Correction Fee Fund -- 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.

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.

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

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.

DWI Screening – Referrals come from Magistrate and Municipal courts and also from the Juvenile Probation office. DWI offenders are normally screened after conviction. We screen at the courthouse and at the sheriff's office. The county charges \$100.00 for the screening fee. These fees are dependent on annual DWI convictions which have been decreasing in Guadalupe County. Costs attributed to screening include court attendance, telephone, internet, copy machine lease, supplies.

DWI Donation – Funding is a donation that comes from Juvenile Probation Office from minors in possession fines in lieu of jail time.

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).

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 Public Safety Building – 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.

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SPECIAL REVENUE FUNDS

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

Homeland Security – State grant issued by NM Department of Homeland Security and Emergency Management. The monies are used for communications, emergency alert system and repeater sites, bay stations and backup batteries for repeaters. LETPP is also part of the grant and is used for Law Enforcement training

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.

La Loma Senior Center Fund – Grant from NM Long Term Agency on Aging is to be used for renovations at the La Loma Senior Center.

Puerto De Luna Senior Center Fund – Grant from NM Long Term Agency on Aging is to be used for equipment and renovations at Puerto De Luna Senior Center.

STATE OF NEW MEXICO
GUADALUPE COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2009

	Farm and Range Fund 208	Recreation Fund 217	Corrections Fund 201	Anton Chico Fire Fund 2091	Puerto del Luna Fire Fund 2092
ASSETS					
Current:					
Cash and temporary investments	\$ 535	\$ 116	\$ 55,933	\$ 21,484	\$ 72,234
Accounts receivable					
Property taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	3,209
Other receivables	-	-	-	-	-
Interfund balances	-	-	-	-	-
Restricted:					
Cash and temporary investments	-	-	-	-	-
<i>Total current assets</i>	<u>\$ 535</u>	<u>\$ 116</u>	<u>\$ 55,933</u>	<u>\$ 21,484</u>	<u>\$ 75,443</u>
LIABILITIES AND FUND BALANCE					
<i>Current Liabilities:</i>					
Accounts payable	\$ -	\$ 4,500	\$ 20,668	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-	-
Interfund balances	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Deferred revenue - property taxes	-	-	-	-	-
<i>Total current liabilities</i>	<u>-</u>	<u>4,500</u>	<u>20,668</u>	<u>-</u>	<u>-</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	535	(4,384)	35,265	21,484	75,443
<i>Total fund balance</i>	<u>535</u>	<u>(4,384)</u>	<u>35,265</u>	<u>21,484</u>	<u>75,443</u>
<i>Total liabilities and fund balance</i>	<u>\$ 535</u>	<u>\$ 116</u>	<u>\$ 55,933</u>	<u>\$ 21,484</u>	<u>\$ 75,443</u>

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

Guadalupe County Fire Fund 2093	County Property Valuation Fund 203	Law Enforcement Fund 2110	DWI Grant Fund 2231	DWI Distribution Fund 2232	DWI Screening Fund 2233	DWI Donation Fund 2234
\$ 2,181	\$ 62,079	\$ 7,017	\$ -	\$ 1,463	\$ 772	\$ 248
-	-	-	-	-	-	-
-	-	-	-	7,277	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,181</u>	<u>\$ 62,079</u>	<u>\$ 7,017</u>	<u>\$ -</u>	<u>\$ 8,740</u>	<u>\$ 772</u>	<u>\$ 248</u>
\$ -	\$ 7,177	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	1,550	2,274	-	-
-	-	-	6,724	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	7,177	-	8,274	2,274	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,181	54,902	7,017	(8,274)	6,466	772	248
2,181	54,902	7,017	(8,274)	6,466	772	248
<u>\$ 2,181</u>	<u>\$ 62,079</u>	<u>\$ 7,017</u>	<u>\$ -</u>	<u>\$ 8,740</u>	<u>\$ 772</u>	<u>\$ 248</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, 2009

	Recording and Filing Fund 225	EMS Fund 206	Rural Primary Health Care Act Fund 2186	CDBG Public Safety Building Fund 2185	Emergency Management Fund 2991
ASSETS					
Current:					
Cash and temporary investments	\$ 22,994	\$ 15,448	\$ -	\$ 1	\$ 50,060
Accounts receivable					
Property taxes	-	-	-	-	-
Intergovernmental	-	-	12,000	-	-
Other receivables	-	-	-	-	-
Due from other funds	-	-	-	-	-
Restricted:					
Cash and temporary investments	-	-	-	-	-
<i>Total current assets</i>	<u>\$ 22,994</u>	<u>\$ 15,448</u>	<u>\$ 12,000</u>	<u>\$ 1</u>	<u>\$ 50,060</u>
LIABILITIES AND FUND BALANCE					
<i>Current Liabilities:</i>					
Accounts payable	\$ -	\$ -	\$ 11,667	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Deferred revenue - property taxes	-	-	-	-	-
<i>Total current liabilities</i>	<u>-</u>	<u>-</u>	<u>11,667</u>	<u>-</u>	<u>-</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	22,994	15,448	333	1	50,060
<i>Total fund balance</i>	<u>22,994</u>	<u>15,448</u>	<u>333</u>	<u>1</u>	<u>50,060</u>
<i>Total liabilities and fund balance</i>	<u>\$ 22,994</u>	<u>\$ 15,448</u>	<u>\$ 12,000</u>	<u>\$ 1</u>	<u>\$ 50,060</u>

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

Homeland Security Fund 2992	E-911 Enhanced Fund 207	Senior Citizen Fund 2190	La Loma Senior Center Fund 2191	Puerto del Luna Senior Center Fund 2192	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,565
-	-	-	-	-	-
-	4,484	18,188	-	-	45,158
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 4,484</u>	<u>\$ 18,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,723</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,012
-	-	5,750	-	-	9,574
10	-	12,931	62	1	19,728
-	-	-	-	-	-
-	-	-	-	-	-
<u>10</u>	<u>-</u>	<u>18,681</u>	<u>62</u>	<u>1</u>	<u>73,314</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(10)	4,484	(493)	(62)	(1)	284,409
(10)	4,484	(493)	(62)	(1)	284,409
<u>\$ -</u>	<u>\$ 4,484</u>	<u>\$ 18,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,723</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, 2009

	Farm and Range Fund 208	Recreation Fund 217	Corrections Fund 201	Anton Chico Fire Fund 2091	Puerto del Luna Fire Fund 2092
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-	-
Other taxes	-	56	-	-	-
State grants	-	-	137,831	43,650	47,704
Federal grants	8,587	-	-	-	-
Licenses and fees	-	-	179,649	-	-
Charges for services	-	-	-	-	-
Investment income	148	21	73	650	783
Miscellaneous	-	-	-	-	-
<i>Total revenues</i>	<u>8,735</u>	<u>77</u>	<u>317,553</u>	<u>44,300</u>	<u>48,487</u>
<i>Expenditures:</i>					
Current					
General Government	-	-	-	-	-
Public safety	-	-	327,301	21,205	13,943
Culture and recreation	31,000	13,623	-	-	-
Health and welfare	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	100,000	29,444
Debt service					
Principal	-	-	-	6,023	13,237
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>31,000</u>	<u>13,623</u>	<u>327,301</u>	<u>127,228</u>	<u>56,624</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(22,265)</u>	<u>(13,546)</u>	<u>(9,748)</u>	<u>(82,928)</u>	<u>(8,137)</u>
<i>Other financing sources (uses):</i>					
Operating transfers in (out)	<u>22,800</u>	<u>8,990</u>	<u>105,000</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>22,800</u>	<u>8,990</u>	<u>105,000</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	535	(4,556)	95,252	(82,928)	(8,137)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>172</u>	<u>(59,987)</u>	<u>104,412</u>	<u>83,580</u>
<i>Fund balances - end of year</i>	<u>\$ 535</u>	<u>\$ (4,384)</u>	<u>\$ 35,265</u>	<u>\$ 21,484</u>	<u>\$ 75,443</u>

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

Guadalupe County Fire Fund 2093	County Property Valuation Fund 203	Law Enforcement Fund 2110	DWI Grant Fund 2231	DWI Distribution Fund 2232	DWI Screening Fund 2233	DWI Donation Fund 2234
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
32,318	-	-	25,302	66,568	-	-
-	-	-	-	-	-	-
-	28,127	-	-	-	-	-
-	171	-	-	-	2,830	-
35	818	132	-	-	-	-
-	-	-	-	-	-	25
<u>32,353</u>	<u>29,116</u>	<u>132</u>	<u>25,302</u>	<u>66,568</u>	<u>2,830</u>	<u>25</u>
-	79,117	-	-	-	-	-
20,042	-	13,715	35,507	67,468	2,071	31
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,205	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>33,247</u>	<u>79,117</u>	<u>13,715</u>	<u>35,507</u>	<u>67,468</u>	<u>2,071</u>	<u>31</u>
<u>(894)</u>	<u>(50,001)</u>	<u>(13,583)</u>	<u>(10,205)</u>	<u>(900)</u>	<u>759</u>	<u>(6)</u>
-	-	-	419	-	(419)	-
-	-	-	419	-	(419)	-
(894)	(50,001)	(13,583)	(9,786)	(900)	340	(6)
3,075	104,903	20,600	1,512	7,366	432	254
<u>\$ 2,181</u>	<u>\$ 54,902</u>	<u>\$ 7,017</u>	<u>\$ (8,274)</u>	<u>\$ 6,466</u>	<u>\$ 772</u>	<u>\$ 248</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, 2009

	Recording and Filing Fund 225	EMS Fund 206	Rural Primary Health Care Act Fund 2186	CDBG Public Safety Building Fund 2185	Emergency Management Fund 2991
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
State grants	-	5,195	156,000	49,481	50,060
Federal grants	-	-	-	450,000	-
Licenses and fees	8,810	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	156	-	-	-
Miscellaneous	-	-	-	-	-
<i>Total revenues</i>	<u>8,810</u>	<u>5,351</u>	<u>156,000</u>	<u>499,481</u>	<u>50,060</u>
<i>Expenditures:</i>					
Current					
General Government	1,148	-	-	-	-
Public safety	-	342	-	504,432	-
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	156,000	-	-
Public works	-	-	-	-	-
Capital outlay	-	17,618	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>1,148</u>	<u>17,960</u>	<u>156,000</u>	<u>504,432</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>7,662</u>	<u>(12,609)</u>	<u>-</u>	<u>(4,951)</u>	<u>50,060</u>
<i>Other financing sources (uses):</i>					
Operating transfers in (out)	-	-	-	4,952	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,952</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	7,662	(12,609)	-	1	50,060
<i>Fund balances - beginning of year</i>	<u>15,332</u>	<u>28,057</u>	<u>333</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 22,994</u>	<u>\$ 15,448</u>	<u>\$ 333</u>	<u>\$ 1</u>	<u>\$ 50,060</u>

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

Homeland Security Fund 2992	E-911 Enhanced Fund 207	Senior Citizen Fund 2190	La Loma Senior Center Fund 2191	Puerto del Luna Senior Center Fund 2192	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	56
-	14,144	128,422	-	25,291	781,966
101,634	-	-	-	-	560,221
-	-	-	-	-	216,586
-	-	-	-	-	3,001
-	-	-	-	-	2,816
-	-	18,408	-	-	18,433
<u>101,634</u>	<u>14,144</u>	<u>146,830</u>	<u>-</u>	<u>25,291</u>	<u>1,583,079</u>
-	-	-	-	-	80,265
-	9,660	-	-	-	1,015,717
-	-	-	-	-	44,623
-	-	213,377	62	14,684	384,123
-	-	-	-	-	-
93,635	-	-	-	10,939	264,841
-	-	-	-	-	19,260
-	-	-	-	-	-
<u>93,635</u>	<u>9,660</u>	<u>213,377</u>	<u>62</u>	<u>25,623</u>	<u>1,808,829</u>
<u>7,999</u>	<u>4,484</u>	<u>(66,547)</u>	<u>(62)</u>	<u>(332)</u>	<u>(225,750)</u>
-	-	61,112	-	331	203,185
-	-	61,112	-	331	203,185
7,999	4,484	(5,435)	(62)	(1)	(22,565)
<u>(8,009)</u>	<u>-</u>	<u>4,942</u>	<u>-</u>	<u>-</u>	<u>306,974</u>
<u>\$ (10)</u>	<u>\$ 4,484</u>	<u>\$ (493)</u>	<u>\$ (62)</u>	<u>\$ (1)</u>	<u>\$ 284,409</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,900	7,900	8,587	687
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	300	300	148	(152)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	8,200	8,200	8,735	535
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	31,000	31,000	31,000	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	31,000	31,000	31,000	-
<i>Excess (deficiency) of revenues over expenditures</i>	(22,800)	(22,800)	(22,265)	535
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	22,800	22,800
Bond proceeds	-	-	-	-
Designated cash	22,800	22,800	-	(22,800)
<i>Total other financing sources (uses)</i>	22,800	22,800	22,800	-
<i>Net change in fund balances</i>	-	-	535	535
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 535	\$ 535
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 535	

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

STATE OF NEW MEXICO

Statement B-4

GUADALUPE COUNTY

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 20	\$ 20	\$ 56	\$ 36
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	21	21
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>20</u>	<u>20</u>	<u>77</u>	<u>57</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	8,573	9,235	9,123	112
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>8,573</u>	<u>9,235</u>	<u>9,123</u>	<u>112</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(8,553)</u>	<u>(9,215)</u>	<u>(9,046)</u>	<u>169</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	8,990	8,990
Bond proceeds	-	-	-	-
Designated cash	8,553	9,215	-	(9,215)
<i>Total other financing sources (uses)</i>	<u>8,553</u>	<u>9,215</u>	<u>8,990</u>	<u>(225)</u>
<i>Net change in fund balances</i>	-	-	(56)	(56)
<i>Fund balances - beginning of year</i>	-	-	172	172
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 116</u>	<u>\$ 116</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(4,500)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (4,556)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-5

CORRECTIONS - 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	173,000	173,000	147,704	(25,296)
Licenses and fees	170,000	170,000	179,649	9,649
Charges for services	-	-	-	-
Investment income	2,000	2,000	73	(1,927)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	345,000	345,000	327,426	(17,574)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	350,000	425,000	373,965	51,035
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	13,571	13,571	-	13,571
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	363,571	438,571	373,965	64,606
<i>Excess (deficiency) of revenues over expenditures</i>	(18,571)	(93,571)	(46,539)	47,032
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	105,000	105,000
Bond proceeds	-	-	-	-
Designated cash	18,571	93,571	-	(93,571)
<i>Total other financing sources (uses)</i>	18,571	93,571	105,000	11,429
<i>Net change in fund balances</i>	-	-	58,461	58,461
<i>Fund balances - beginning of year</i>	-	-	(2,528)	(2,528)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 55,933	\$ 55,933
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(9,873)	
Expenditure accruals			46,664	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 95,252	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	36,784	36,784	37,627	843
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,000	1,000	650	(350)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>37,784</u>	<u>37,784</u>	<u>38,277</u>	<u>493</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	37,175	37,175	21,205	15,970
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	105,000	105,000	100,000	5,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>142,175</u>	<u>142,175</u>	<u>121,205</u>	<u>20,970</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(104,391)</u>	<u>(104,391)</u>	<u>(82,928)</u>	<u>21,463</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	104,391	104,391	-	(104,391)
<i>Total other financing sources (uses)</i>	<u>104,391</u>	<u>104,391</u>	<u>-</u>	<u>(104,391)</u>
<i>Net change in fund balances</i>	-	-	(82,928)	(82,928)
<i>Fund balances - beginning of year</i>	-	-	104,412	104,412
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,484</u>	<u>\$ 21,484</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>\$ (82,928)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	31,070	31,070	31,258	188
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,000	1,000	783	(217)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>32,070</u>	<u>32,070</u>	<u>32,041</u>	<u>(29)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	64,000	64,000	13,943	50,057
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	51,850	51,850	29,444	22,406
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>115,850</u>	<u>115,850</u>	<u>43,387</u>	<u>72,463</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(83,780)</u>	<u>(83,780)</u>	<u>(11,346)</u>	<u>72,434</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	83,780	83,780	-	(83,780)
<i>Total other financing sources (uses)</i>	<u>83,780</u>	<u>83,780</u>	<u>-</u>	<u>(83,780)</u>
<i>Net change in fund balances</i>	-	-	(11,346)	(11,346)
<i>Fund balances - beginning of year</i>	-	-	83,580	83,580
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,234</u>	<u>\$ 72,234</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			<u>3,209</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (8,137)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-8

GUADALUPE COUNTY 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	74,585	78,585	41,236	(37,349)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	35	35
Miscellaneous	-	-	-	-
<i>Total revenues</i>	74,585	78,585	41,271	(37,314)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	43,180	47,180	31,580	15,600
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	29,585	29,585	13,205	16,380
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	72,765	76,765	44,785	31,980
<i>Excess (deficiency) of revenues over expenditures</i>	1,820	1,820	(3,514)	(5,334)
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	(1,820)	(1,820)	-	1,820
<i>Total other financing sources (uses)</i>	(1,820)	(1,820)	-	1,820
<i>Net change in fund balances</i>	-	-	(3,514)	(3,514)
<i>Fund balances - beginning of year</i>	-	-	5,695	5,695
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,181	\$ 2,181
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(8,918)	
Expenditure accruals			11,538	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (894)	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	25,000	25,000	28,127	3,127
Charges for services	1,500	1,500	171	(1,329)
Investment income	12,000	12,000	818	(11,182)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>38,500</u>	<u>38,500</u>	<u>29,116</u>	<u>(9,384)</u>
<i>Expenditures:</i>				
Current				
General Government	82,336	122,497	71,940	50,557
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	3,500	3,500	-	3,500
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>85,836</u>	<u>125,997</u>	<u>71,940</u>	<u>54,057</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(47,336)</u>	<u>(87,497)</u>	<u>(42,824)</u>	<u>44,673</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	47,336	87,497	-	(87,497)
<i>Total other financing sources (uses)</i>	<u>47,336</u>	<u>87,497</u>	<u>-</u>	<u>(87,497)</u>
<i>Net change in fund balances</i>	-	-	(42,824)	(42,824)
<i>Fund balances - beginning of year</i>	-	-	104,903	104,903
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,079</u>	<u>\$ 62,079</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(7,177)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (50,001)</u>	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,600	20,600	20,600	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	100	100	132	32
Miscellaneous	-	-	-	-
<i>Total revenues</i>	20,700	20,700	20,732	32
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	20,700	20,700	13,715	6,985
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	20,700	20,700	13,715	6,985
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	7,017	7,017
<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>	-	-	7,017	7,017
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 7,017	\$ 7,017
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(20,600)	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (13,583)	

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

STATE OF NEW MEXICO

Statement B-11

GUADALUPE COUNTY

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	37,909	37,947	31,721	(6,226)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>37,909</u>	<u>37,947</u>	<u>31,721</u>	<u>(6,226)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	33,944	34,401	34,899	(498)
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>33,944</u>	<u>34,401</u>	<u>34,899</u>	<u>(498)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>3,965</u>	<u>3,546</u>	<u>(3,178)</u>	<u>(6,724)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	419	419
Bond proceeds	-	-	-	-
Designated cash	(3,965)	(3,546)	-	3,546
<i>Total other financing sources (uses)</i>	<u>(3,965)</u>	<u>(3,546)</u>	<u>419</u>	<u>3,965</u>
<i>Net change in fund balances</i>	-	-	(2,759)	(2,759)
<i>Fund balances - beginning of year</i>	-	-	(3,965)	(3,965)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,724)</u>	<u>\$ (6,724)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(6,419)	
Expenditure accruals			(608)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (9,786)</u>	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	62,720	59,291	59,291	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>62,720</u>	<u>59,291</u>	<u>59,291</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	71,422	68,059	66,597	1,462
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>71,422</u>	<u>68,059</u>	<u>66,597</u>	<u>1,462</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(8,702)</u>	<u>(8,768)</u>	<u>(7,306)</u>	<u>1,462</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	8,702	8,768	-	(8,768)
<i>Total other financing sources (uses)</i>	<u>8,702</u>	<u>8,768</u>	<u>-</u>	<u>(8,768)</u>
<i>Net change in fund balances</i>	-	-	(7,306)	(7,306)
<i>Fund balances - beginning of year</i>	-	-	8,769	8,769
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,463</u>	<u>\$ 1,463</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			7,277	
Expenditure accruals			(871)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (900)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-13

DWI SCREENING - 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	3,000	3,000	2,830	(170)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	3,000	3,000	2,830	(170)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	3,432	3,013	2,071	942
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	3,432	3,013	2,071	942
<i>Excess (deficiency) of revenues over expenditures</i>	(432)	(13)	759	772
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	(419)	(419)
Bond proceeds	-	-	-	-
Designated cash	432	13	-	(13)
<i>Total other financing sources (uses)</i>	432	13	(419)	(432)
<i>Net change in fund balances</i>	-	-	340	340
<i>Fund balances - beginning of year</i>	-	-	432	432
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 772	\$ 772
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			\$ 340	

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

STATE OF NEW MEXICO

Statement B-14

GUADALUPE COUNTY

DWI DONATION - 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	300	300	25	(275)
<i>Total revenues</i>	<u>300</u>	<u>300</u>	<u>25</u>	<u>(275)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	554	554	31	523
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>554</u>	<u>554</u>	<u>31</u>	<u>523</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(254)</u>	<u>(254)</u>	<u>(6)</u>	<u>248</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	254	254	-	(254)
<i>Total other financing sources (uses)</i>	<u>254</u>	<u>254</u>	<u>-</u>	<u>(254)</u>
<i>Net change in fund balances</i>	-	-	(6)	(6)
<i>Fund balances - beginning of year</i>	-	-	254	254
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 248</u>	<u>\$ 248</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>\$ (6)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-15

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	8,000	8,000	8,810	810
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	8,000	8,000	8,810	810
<i>Expenditures:</i>				
Current				
General Government	10,000	10,000	1,148	8,852
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	13,332	13,332	-	13,332
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	23,332	23,332	1,148	22,184
<i>Excess (deficiency) of revenues over expenditures</i>	(15,332)	(15,332)	7,662	22,994
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	15,332	15,332	-	(15,332)
<i>Total other financing sources (uses)</i>	15,332	15,332	-	(15,332)
<i>Net change in fund balances</i>	-	-	7,662	7,662
<i>Fund balances - beginning of year</i>	-	-	15,332	15,332
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 22,994	\$ 22,994
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			\$ 7,662	

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

STATE OF NEW MEXICO

Statement B-16

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,321	5,321	5,195	(126)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	300	300	156	(144)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,621</u>	<u>5,621</u>	<u>5,351</u>	<u>(270)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	11,960	11,960	342	11,618
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	21,700	21,700	17,618	4,082
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>33,660</u>	<u>33,660</u>	<u>17,960</u>	<u>15,700</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(28,039)</u>	<u>(28,039)</u>	<u>(12,609)</u>	<u>15,430</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	28,039	28,039	-	(28,039)
<i>Total other financing sources (uses)</i>	<u>28,039</u>	<u>28,039</u>	<u>-</u>	<u>(28,039)</u>
<i>Net change in fund balances</i>	-	-	(12,609)	(12,609)
<i>Fund balances - beginning of year</i>	-	-	28,057	28,057
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,448</u>	<u>\$ 15,448</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>\$ (12,609)</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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	167,667	167,667	156,000	(11,667)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	167,667	167,667	156,000	(11,667)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	167,667	167,667	156,000	11,667
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	167,667	167,667	156,000	11,667
<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			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ -	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-18

CDBG PUBLIC SAFETY BUILDING - 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	499,481	499,481	499,481	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	499,481	499,481	499,481	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	499,481	504,433	504,432	1
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	499,481	504,433	504,432	1
<i>Excess (deficiency) of revenues over expenditures</i>	-	(4,952)	(4,951)	1
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	4,952	4,952
Bond proceeds	-	-	-	-
Designated cash	-	4,952	-	(4,952)
<i>Total other financing sources (uses)</i>	-	4,952	4,952	-
<i>Net change in fund balances</i>	-	-	1	1
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1	\$ 1
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 1	

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	0	33,346	50,060	16,714
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	33,346	50,060	16,714
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	33,346	-	33,346
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	33,346	-	33,346
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	50,060	50,060
<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>	-	-	50,060	50,060
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 50,060	\$ 50,060
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 50,060	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-20

HOMELAND SECURITY - 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	295,957	295,957	157,194	(138,763)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>295,957</u>	<u>295,957</u>	<u>157,194</u>	<u>(138,763)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	80,000	80,000	-	80,000
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	62,922	62,922	93,635	(30,713)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>142,922</u>	<u>142,922</u>	<u>93,635</u>	<u>49,287</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>153,035</u>	<u>153,035</u>	<u>63,559</u>	<u>(89,476)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	(153,035)	(153,035)	-	153,035
<i>Total other financing sources (uses)</i>	<u>(153,035)</u>	<u>(153,035)</u>	<u>-</u>	<u>153,035</u>
<i>Net change in fund balances</i>	-	-	63,559	63,559
<i>Fund balances - beginning of year</i>	-	-	(63,569)	(63,569)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10)</u>	<u>\$ (10)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(55,560)	
Expenditure accruals			<u>-</u>	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			<u>\$ 7,999</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-21

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	560,946	560,946	9,660	(551,286)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	560,946	560,946	9,660	(551,286)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	560,946	560,946	9,660	551,286
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	560,946	560,946	9,660	551,286
<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			4,484	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 4,484	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-22

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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	163,958	169,521	117,001	(52,520)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	13,780	13,780	18,408	4,628
<i>Total revenues</i>	<u>177,738</u>	<u>183,301</u>	<u>135,409</u>	<u>(47,892)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	208,458	214,021	210,172	3,849
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>208,458</u>	<u>214,021</u>	<u>210,172</u>	<u>3,849</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(30,720)</u>	<u>(30,720)</u>	<u>(74,763)</u>	<u>(44,043)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	61,112	61,112
Bond proceeds	-	-	-	-
Designated cash	30,720	30,720	-	(30,720)
<i>Total other financing sources (uses)</i>	<u>30,720</u>	<u>30,720</u>	<u>61,112</u>	<u>30,392</u>
<i>Net change in fund balances</i>	-	-	(13,651)	(13,651)
<i>Fund balances - beginning of year</i>	-	-	720	720
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (12,931)</u>	<u>\$ (12,931)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			11,421	
Expenditure accruals			<u>(3,205)</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (5,435)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-23

LA LOMA SENIOR CENTER - 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	21,531	21,531	-	(21,531)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>21,531</u>	<u>21,531</u>	<u>-</u>	<u>(21,531)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	2,584	2,584	62	2,522
Public works	-	-	-	-
Capital outlay	18,947	18,947	-	18,947
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>21,531</u>	<u>21,531</u>	<u>62</u>	<u>21,469</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(62)</u>	<u>(62)</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>	<u>-</u>	<u>-</u>	<u>(62)</u>	<u>(62)</u>
<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>\$ (62)</u>	<u>\$ (62)</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>\$ (62)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-24

PUERTO DE LUNA SENIOR CENTER - 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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	69,876	69,876	25,291	(44,585)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>69,876</u>	<u>69,876</u>	<u>25,291</u>	<u>(44,585)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	10,000	40,000	14,684	25,316
Public works	-	-	-	-
Capital outlay	59,876	29,876	10,939	18,937
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>69,876</u>	<u>69,876</u>	<u>25,623</u>	<u>44,253</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(332)</u>	<u>(332)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	331	331
Bond proceeds	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>331</u>	<u>331</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
<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>\$ (1)</u>	<u>\$ (1)</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)</u>	

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

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CAPITAL PROJECT FUND

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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, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 175,000	\$ 175,000	197,480	\$ 22,480
Intergovernmental	2,615,260	2,942,110	1,063,026	(1,879,084)
Licenses and fees	-	-	-	-
Charges for services	210,000	210,000	272,788	62,788
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,000,260</u>	<u>3,327,110</u>	<u>1,533,294</u>	<u>(1,793,816)</u>
<i>Expenditures:</i>				
<i>Current</i>				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	815,299	799,804	471,905	327,899
Capital outlay	2,348,843	2,706,145	1,680,052	1,026,093
Debt service				
Principal	121,709	151,752	124,594	27,158
Interest	37,607	52,607	39,560	13,047
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>3,323,458</u>	<u>3,710,308</u>	<u>2,316,111</u>	<u>1,394,197</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(323,198)</u>	<u>(383,198)</u>	<u>(782,817)</u>	<u>(399,619)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	(66,064)	(66,064)
Bond proceeds	-	-	-	-
Designated cash	323,198	383,198	-	(383,198)
<i>Total other financing sources (uses)</i>	<u>323,198</u>	<u>383,198</u>	<u>(66,064)</u>	<u>(449,262)</u>
<i>Net change in fund balances</i>	-	-	(848,881)	(848,881)
<i>Fund balances - beginning of year</i>	-	-	1,251,004	1,251,004
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402,123</u>	<u>\$ 402,123</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			210,387	
Adjustments to expenditures (liabilities)			(147,822)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (786,316)</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
GUADALUPE COUNTY
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2009

Statement E-1

	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009
ASSETS				
Property taxes receivable	\$ 328,631	\$ 1,306,212	\$ 1,295,897	338,946
<i>Total assets</i>	\$ 328,631	\$ 1,306,212	\$ 1,295,897	\$ 338,946
LIABILITIES				
Due to other taxing units	\$ 328,631	\$ 1,306,212	\$ 1,295,897	\$ 338,946
<i>Total liabilities</i>	\$ 328,631	\$ 1,306,212	\$ 1,295,897	\$ 338,946

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, 2009

Schedule I

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2009	Name and Location of Safekeeper
Wells Fargo Bank	FNCL 867437 5/1/2036 Cusip 31409CV69 6.0%	\$ 1,851,748	Wells Fargo Bank, N.A. California
Total Pledged Collateral		<u>1,851,748</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, 2009

Schedule II

<u>Bank Account Type/Name</u>	<u>Bank of Albuquerque</u>	<u>Community 1st Bank of LV</u>	<u>Wells Fargo Bank</u>	<u>NM State Treasurer</u>	<u>Totals</u>
Checking - Operating Repurchase Account	\$ -	\$ -	\$ 1,493,188	\$ -	\$ 1,493,188
Checking - Deferred Comp Account	-	-	785	-	785
Checking - Payroll Clearing	-	-	268	-	268
Checking - Operational - Comm. 1st	-	106,007	-	-	106,007
Trust - Courthouse	-	-	-	-	-
Trust - Courthouse Reserve	30,992	-	-	-	30,992
Trust - Guadalupe County PG	-	-	-	-	-
Trust - Guadalupe County PG Reserve	59,550	-	-	-	59,550
Trust - Road/Solidwaste Reserve	44,468	-	-	-	44,468
Certificates of Deposit	-	-	713,454	100,000	813,454
Total On Deposit	135,010	106,007	2,207,695	100,000	2,548,712
Reconciling Items	-	-	(57,764)	-	(57,764)
Reconciled Balance June 30, 2009	<u>\$ 135,010</u>	<u>\$ 106,007</u>	<u>\$ 2,149,931</u>	<u>\$ 100,000</u>	<u>\$ 2,490,948</u>
Petty Cash					<u>445</u>
Combined Balance Sheet Total June 30, 2009					<u>\$ 2,491,393</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, 2009

Property taxes receivable, beginning of year	\$ 587,548
Changes to Tax Roll:	
Net taxes charged to treasurer for fiscal year	2,793,980
Adjustments:	
Increases in taxes receivables	7,088
Charge off of taxes receivables	<u>(11,943)</u>
 Total receivables prior to collections	 3,376,673
 Collections for fiscal year ended June 30, 2007	 <u>(2,750,882)</u>
 Property taxes receivable, end of year	 <u>\$ 625,791</u>
Property taxes receivable by years:	
1999	\$ 14,064
2000	5,952
2001	21,450
2002	27,888
2003	10,816
2004	73,635
2005	72,950
2006	36,949
2007	118,773
2008	<u>243,314</u>
 Total taxes receivable	 <u>\$ 625,791</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, 2009

	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
Guadalupe County									
Guadalupe County 1999	800,796	73	796,642	73	796,642	-	-	-	4,154
Guadalupe County 2000	849,837	44	846,407	44	846,407	-	-	-	3,430
Guadalupe County 2001	906,327	235	899,599	235	899,599	-	-	-	6,728
Guadalupe County 2002	911,674	270	906,804	270	906,804	-	-	-	4,870
Guadalupe County 2003	923,727	283	920,466	283	920,466	-	-	-	3,261
Guadalupe County 2004	1,009,670	1,610	988,357	1,610	988,357	-	-	-	21,313
Guadalupe County 2005	1,050,929	2,521	1,028,108	2,521	1,028,108	-	-	-	22,821
Guadalupe County 2006	983,605	8,600	973,651	8,600	973,651	-	-	-	9,954
Guadalupe County 2007	1,053,044	50,219	1,014,844	50,219	1,014,844	-	-	-	38,200
Guadalupe County 2008	1,063,048	976,285	976,285	976,285	976,285	-	-	-	86,763
Total Guadalupe County	<u>9,552,657</u>	<u>1,040,140</u>	<u>9,351,163</u>	<u>1,040,140</u>	<u>9,351,163</u>	-	-	-	201,494
Administrative fees 1999	342	-	264	-	264	-	-	-	78
Administrative fees 2000	373	-	330	-	330	-	-	-	43
Administrative fees 2001	233	-	229	-	229	-	-	-	4
Administrative fees 2002	350	-	350	-	350	-	-	-	-
Administrative fees 2003	240	-	242	-	242	-	-	-	(2)
Administrative fees 2004	1,019	4	908	4	908	-	-	-	111
Administrative fees 2005	267	3	269	3	269	-	-	-	(2)
Administrative fees 2006	267	7	258	7	258	-	-	-	9
Administrative fees 2007	291	18	276	18	276	-	-	-	15
Administrative fees 2008	305	270	270	270	270	-	-	-	35
Total administrative fees	<u>3,687</u>	<u>302</u>	<u>3,396</u>	<u>302</u>	<u>3,396</u>	-	-	-	291
Omitted assessments fee 1999	-	-	-	-	-	-	-	-	-
Omitted assessments fee 2000	-	-	-	-	-	-	-	-	-
Omitted assessments fee 2001	190	-	-	-	-	-	-	-	190
Omitted assessments fee 2002	-	-	-	-	-	-	-	-	-
Omitted assessments fee 2003	-	-	-	-	-	-	-	-	-
Omitted assessments fee 2004	-	-	-	-	-	-	-	-	-
Omitted assessments fee 2005	-	-	16	-	16	-	-	-	(16)
Omitted assessments fee 2006	-	-	19	-	19	-	-	-	(19)
Omitted assessments fee 2007	309	309	327	309	327	-	-	-	(18)
Omitted assessments fee 2008	289	313	313	313	313	-	-	-	(24)
Total omitted assessments fee	<u>788</u>	<u>622</u>	<u>675</u>	<u>622</u>	<u>675</u>	-	-	-	113

Guadalupe County Hospital 1999	302,440	31	300,704	18	300,704	-	-	-	1,736
Guadalupe County Hospital 2000	320,313	18	319,088	18	319,088	-	-	-	1,225
Guadalupe County Hospital 2001	357,084	125	354,268	125	354,268	-	-	-	2,816
Guadalupe County Hospital 2002	360,886	142	356,421	142	356,421	-	-	-	4,465
Guadalupe County Hospital 2003	363,424	133	361,929	133	361,929	-	-	-	1,495
Guadalupe County Hospital 2004	395,826	693	387,612	693	387,612	-	-	-	8,214
Guadalupe County Hospital 2005	412,182	1,186	403,437	1,186	403,437	-	-	-	8,745
Guadalupe County Hospital 2006	386,817	3,792	382,189	3,792	382,189	-	-	-	4,628
Guadalupe County Hospital 2007	412,316	20,702	396,265	20,702	396,265	-	-	-	16,051
Guadalupe County Hospital 2008	412,356	376,782	376,782	376,782	376,782	-	-	-	35,574
Total Guadalupe County Hospital	<u>3,723,644</u>	<u>403,604</u>	<u>3,638,695</u>	<u>403,591</u>	<u>3,638,695</u>	-	-	-	84,949
Total Guadalupe County	<u>13,280,776</u>	<u>1,444,668</u>	<u>12,993,929</u>	<u>1,444,655</u>	<u>12,993,929</u>	-	-	-	286,847

State of New Mexico

New Mexico State Treasurers 1999	155,132	13	162,472	13	162,472	-	-	-	(7,340)
New Mexico State Treasurers 2000	161,972	7	159,694	7	159,694	-	-	-	2,278
New Mexico State Treasurers 2001	182,615	52	180,568	52	180,568	-	-	-	2,047
New Mexico State Treasurers 2002	132,807	38	126,105	38	126,105	-	-	-	6,702
New Mexico State Treasurers 2003	164,751	49	163,965	49	163,965	-	-	-	786
New Mexico State Treasurers 2004	127,816	169	124,452	169	124,452	-	-	-	3,364
New Mexico State Treasurers 2005	162,239	389	158,689	389	158,689	-	-	-	3,550
New Mexico State Treasurers 2006	159,592	1,297	156,277	1,297	156,277	-	-	-	3,315
New Mexico State Treasurers 2007	168,175	9,179	159,214	9,179	159,214	-	-	-	8,961
New Mexico State Treasurers 2008	158,421	143,678	143,678	143,678	143,678	-	-	-	14,743
Total New Mexico State Treasurers	<u>1,573,520</u>	<u>154,871</u>	<u>1,535,114</u>	<u>154,871</u>	<u>1,535,114</u>	-	-	-	38,406
Total State of New Mexico	<u>1,573,520</u>	<u>154,871</u>	<u>1,535,114</u>	<u>154,871</u>	<u>1,535,114</u>	-	-	-	38,406

Municipalities

Municipality of Santa Rosa 1999	130,030	25	128,884	25	128,884	-	-	-	1,146
Municipality of Santa Rosa 2000	141,248	-	141,253	-	141,253	-	-	-	(5)
Municipality of Santa Rosa 2001	157,192	81	155,292	81	155,292	-	-	-	1,900
Municipality of Santa Rosa 2002	164,346	82	163,915	82	163,915	-	-	-	431
Municipality of Santa Rosa 2003	170,786	54	170,284	54	170,284	-	-	-	502
Municipality of Santa Rosa 2004	179,869	557	178,819	557	178,819	-	-	-	1,050
Municipality of Santa Rosa 2005	197,583	817	187,892	817	187,892	-	-	-	9,691
Municipality of Santa Rosa 2006	177,593	2,382	175,736	2,382	175,736	-	-	-	1,857
Municipality of Santa Rosa 2007	183,553	11,850	179,433	11,850	179,433	-	-	-	4,120
Municipality of Santa Rosa 2008	192,406	171,768	171,768	171,768	171,768	-	-	-	20,638
Total Municipality of Santa Rosa	<u>1,694,606</u>	<u>187,616</u>	<u>1,653,276</u>	<u>187,616</u>	<u>1,653,276</u>	-	-	-	41,330

Municipality of Vaughn 1999	41,263	-	41,945	-	41,945	-	-	-	(682)
Municipality of Vaughn 2000	43,102	-	42,830	-	42,830	-	-	-	272
Municipality of Vaughn 2001	44,949	-	44,791	-	44,791	-	-	-	158
Municipality of Vaughn 2002	43,899	-	46,149	-	46,149	-	-	-	(2,250)
Municipality of Vaughn 2003	46,232	29	46,072	29	46,072	-	-	-	160
Municipality of Vaughn 2004	47,003	102	46,769	102	46,769	-	-	-	234
Municipality of Vaughn 2005	48,147	228	47,903	228	47,903	-	-	-	244
Municipality of Vaughn 2006	47,241	684	46,847	684	46,847	-	-	-	394
Municipality of Vaughn 2007	46,897	2,337	45,477	2,337	45,477	-	-	-	1,420
Municipality of Vaughn 2008	46,821	42,172	42,172	42,172	42,172	-	-	-	4,649
Total Municipality of Vaughn	<u>455,554</u>	<u>45,552</u>	<u>450,955</u>	<u>45,552</u>	<u>450,955</u>	-	-	-	4,599
Total Municipalities	<u>2,150,160</u>	<u>233,168</u>	<u>2,104,231</u>	<u>233,168</u>	<u>2,104,231</u>	-	-	-	45,929
School District									
Santa Rosa Consolidated School #8 1999	650,840	97	647,935	97	647,935	-	-	-	2,905
Santa Rosa Consolidated School #8 2000	642,027	48	640,084	48	640,084	-	-	-	1,943
Santa Rosa Consolidated School #8 2001	637,556	288	631,398	288	631,398	-	-	-	6,158
Santa Rosa Consolidated School #8 2002	669,735	335	659,097	335	659,097	-	-	-	10,638
Santa Rosa Consolidated School #8 2003	678,943	285	675,811	285	675,811	-	-	-	3,132
Santa Rosa Consolidated School #8 2004	721,405	1,454	715,982	1,454	715,982	-	-	-	5,423
Santa Rosa Consolidated School #8 2005	783,579	2,511	759,239	2,511	759,239	-	-	-	24,340
Santa Rosa Consolidated School #8 2006	846,018	9,502	833,773	9,502	833,773	-	-	-	12,245
Santa Rosa Consolidated School #8 2007	800,084	43,333	750,294	43,333	750,294	-	-	-	49,790
Santa Rosa Consolidated School #8 2008	513,438	461,452	461,452	461,452	461,452	-	-	-	51,986
Total Santa Rosa Consolidated School #8	<u>6,943,625</u>	<u>519,305</u>	<u>6,775,065</u>	<u>519,305</u>	<u>6,775,065</u>	-	-	-	168,560
Vaughn Municipal School #33 1999	86,416	-	74,301	-	74,301	-	-	-	12,115
Vaughn Municipal School #33 2000	115,158	-	114,585	-	114,585	-	-	-	573
Vaughn Municipal School #33 2001	154,404	-	154,055	-	154,055	-	-	-	349
Vaughn Municipal School #33 2002	129,114	-	129,020	-	129,020	-	-	-	94
Vaughn Municipal School #33 2003	167,311	34	166,803	34	166,803	-	-	-	508
Vaughn Municipal School #33 2004	182,472	126	151,545	126	151,545	-	-	-	30,927
Vaughn Municipal School #33 2005	169,752	282	172,550	282	172,550	-	-	-	(2,798)
Vaughn Municipal School #33 2006	186,160	899	184,537	899	184,537	-	-	-	1,623
Vaughn Municipal School #33 2007	127,600	4,573	138,927	4,573	138,927	-	-	-	(11,327)
Vaughn Municipal School #33 2008	170,955	165,058	165,058	165,058	165,058	-	-	-	5,897
Total Vaughn Municipal School #33	<u>1,489,342</u>	<u>170,972</u>	<u>1,451,381</u>	<u>170,972</u>	<u>1,451,381</u>	-	-	-	37,961
Total school district	<u>8,432,967</u>	<u>690,277</u>	<u>8,226,446</u>	<u>690,277</u>	<u>8,226,446</u>	-	-	-	206,521

Special District

Luna Vocational Technical Institute 1999	153,563	19	153,021	19	153,021	-	-	-	542
Luna Vocational Technical Institute 2000	164,555	12	163,810	12	163,810	-	-	-	745
Luna Vocational Technical Institute 2001	177,364	66	175,686	66	175,686	-	-	-	1,678
Luna Vocational Technical Institute 2002	175,612	75	172,919	75	172,919	-	-	-	2,693
Luna Community College 2003	180,349	64	179,630	64	179,630	-	-	-	719
Luna Community College 2004	204,027	388	202,556	388	202,556	-	-	-	1,471
Luna Community College 2005	212,268	599	205,782	599	205,782	-	-	-	6,486
Luna Community College 2006	193,855	2,038	191,353	2,038	191,353	-	-	-	2,502
Luna Community College 2007	206,734	10,840	197,242	10,840	197,242	-	-	-	9,492
Luna Community College 2008	209,314	188,649	188,649	188,649	188,649	-	-	-	20,665
Total Luna Vocational Technical Institute	<u>1,877,641</u>	<u>202,750</u>	<u>1,830,648</u>	<u>202,750</u>	<u>1,830,648</u>	-	-	-	46,993
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	-	-	-	(290)
Watermaster 2002	4,087	-	3,872	-	3,872	-	-	-	215
Watermaster 2003	4,827	-	4,605	-	4,605	-	-	-	222
Watermaster 2004	5,515	-	5,244	-	5,244	-	-	-	271
Watermaster 2005	3,296	-	3,180	-	3,180	-	-	-	116
Watermaster 2006	3,873	-	3,521	-	3,521	-	-	-	352
Watermaster 2007	3,762	96	3,183	96	3,183	-	-	-	579
Watermaster 2008	2,767	1,741	1,741	1,741	1,741	-	-	-	1,026
Total Watermaster	<u>36,693</u>	<u>1,837</u>	<u>33,913</u>	<u>1,837</u>	<u>33,913</u>	-	-	-	2,780
Guadalupe Soil and Water 1999	19,998	2	20,681	2	20,681	-	-	-	(683)
Guadalupe Soil and Water 2000	16,665	3	21,412	3	21,412	-	-	-	(4,747)
Guadalupe Soil and Water 2001	24,933	4	25,223	4	25,223	-	-	-	(290)
Guadalupe Soil and Water 2002	23,293	4	23,262	4	23,262	-	-	-	31
Guadalupe Soil and Water 2003	23,359	7	23,325	7	23,325	-	-	-	34
Guadalupe Soil and Water 2004	23,264	8	22,007	8	22,007	-	-	-	1,257
Guadalupe Soil and Water 2005	25,673	17	25,898	17	25,898	-	-	-	(225)
Guadalupe Soil and Water 2006	24,742	166	24,653	166	24,653	-	-	-	89
Guadalupe Soil and Water 2007	24,406	602	22,915	602	22,915	-	-	-	1,491
Guadalupe Soil and Water 2008	23,859	22,498	22,498	22,498	22,498	-	-	-	1,361
Total Guadalupe Soil and Water	<u>230,192</u>	<u>23,311</u>	<u>231,874</u>	<u>23,311</u>	<u>231,874</u>	-	-	-	(1,682)
Total special district	<u>2,144,526</u>	<u>227,898</u>	<u>2,096,435</u>	<u>227,898</u>	<u>2,096,435</u>	-	-	-	48,091
Grand total	<u>27,581,949</u>	<u>2,750,882</u>	<u>26,956,155</u>	<u>2,750,869</u>	<u>26,956,155</u>	-	-	-	625,794

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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 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, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated October 30, 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, 2009, as listed in the table of contents, and have issued our report thereon dated October 30, 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 and FS 08-05(Hospital).

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.

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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, 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 to be a material weakness.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item FS 09-01, FS 08-01 (Hospital), and FS 09-01(Hospital).

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 responses and, accordingly, we express no opinion on them.

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.

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

Albuquerque, New Mexico
October 30, 2009

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FEDERAL FINANCIAL ASSISTANCE

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Guadalupe County, New Mexico (the “County”), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Guadalupe County, New Mexico’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Guadalupe County, New Mexico’s management. Our responsibility is to express an opinion on Guadalupe County, New Mexico’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Guadalupe County, New Mexico’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Guadalupe County, New Mexico’s compliance with those requirements.

In our opinion, Guadalupe County, New Mexico, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Guadalupe County, New Mexico, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Guadalupe County, New Mexico’s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control over compliance.

A *control deficiency* in a County’s internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County’s ability to administer a federal program such that there more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more the inconsequential will not be prevented or detected by the County’s internal control.

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A material weakness is a significant deficiency, or a combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above.

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.

Grigo Professional Services, LLC

Albuquerque, New Mexico
October 30, 2009

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Section I – Summary of Audit Results*Financial Statements:*

- | | |
|--|-------------|
| 1. Type of auditors' report issued | Unqualified |
| 2. <i>Internal Control over Financial Reporting and on Compliance and Other Matters:</i> | |
| a. Material weakness identified? | Yes |
| b. Significant deficiency identified not considered to be a material weaknesses? | Yes |
| c. Control deficiency identified not considered to be a significant deficiency? | No |

Federal Awards:

- | | |
|--|------------------------------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiency identified not considered to be material weaknesses? | No |
| c. Control deficiency identified not considered to be significant deficiency? | No |
| 2. Type of auditors' opinion issued on the <i>Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in accordance with OMB Circular A-133</i> | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No |
| 4. Identification of major programs: | |
| <u>CFDA
Number</u> | <u>Federal Program</u> |
| 14.228 | Community Development Block Grants |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

STATE OF NEW MEXICO
 Guadalupe County
 Schedule of Expenditures of Federal Awards
 June 30, 2009

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Grant Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
CDBG (1)	2185	14.228	\$ 450,000
Total U.S. Department of Housing and Urban Development			<u>450,000</u>
U.S. Department of Homeland Security			
Homeland Security Grant Program	2992	97.067	\$ 93,635
Total U.S. Department of Homeland Security			<u>93,635</u>
Total Federal Financial Assistance			<u>\$ 543,635</u>
<i>(1) Denotes major federal assistance program</i>			

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of McKinley County and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

2. Subrecipients

The County did not provide any federal awards to subrecipients during the year.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 543,635
Total expenditures funded by other sources	<u>7,824,076</u>
Total expenditures	<u>\$ 8,367,711</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Section II – FINANCIAL STATEMENT FINDINGS

FS 06-01 — Financial Records, Repeated

Condition: The County does not maintain a complete, balanced 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 09-01 — Budget Process

Condition: The County overspent the budget in the following funds:

<u>Special Revenue Funds:</u>	DWI Grant Fund	\$498
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Criteria: The Authority by which the County can spend money is the Commission and the Department of Finance and Administration approved budget (Section 6-6-6; NMSA 1978).

Effect: The County is in violation of applicable laws, regulations and policies established by the State, County and Department of Finance and Administration.

Cause: The County failed to obtain budget amendments for the funds that were over-expended or not budgeted for.

Auditors' Recommendations: We recommend that the County establish policies and procedures to ensure all expenditures are budgeted for and funds are not over-expended.

Management's Response: The County has policies and procedures in place. The DWI Grant has a policy with the state where payments are reimbursed after the fact. Final reimbursements happen in August of the next year, which lead to prior year expense over budget from delayed reimbursement..

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

Guadalupe County - Hospital

FS 08-01 Travel and Per Diem (Repeated)

Condition: As part of our audit we tested internal controls we tested 22 travel and per diem disbursements.

- We noted that employees are paid both partial and full day per diem when traveling. The hospital is paying partial per diem as meal money, and full day per diem for the hotel.
- For one disbursement tested we noted that there was no supporting documentation for actual expenses when per diem rates were not used

Criteria:

- Per Diem rates Proration, section 2.42.2.8, sub section B (NMSA 1978), states that travel will be paid either at an overnight rate, or at a partial day rate, not both.
- Per Diem Rates Proration, Section 2.42.2.8, sub section B (NMSA 1978), states that either per diem rates will be paid or in lieu of per diem rates the employee may choose to receive reimbursement based on actual expenses. For actual expenses receipts must be attached to the reimbursement form.

Effect:

- The Hospital has been overpaying employees for travel because they receive both partial and full day per diem rates.
- An employee was paid an advance, but no supporting documents were turned in to prove the money was spent.

Cause:

- The hospital was unaware that the partial per diem was strictly for partial day travel. The hospital was under the assumption that partial day travel per diem was for meals expense, and full day travel per diem was for the hotel expense.
- Insufficient review of supporting documentation when actual expenses are claimed

Auditor's Recommendation:

- The Hospital should follow the NMSA Per Diem and Mileage Act when reimbursing mileage.
- The hospital should consider obtaining training on the Per Diem and Mileage Act.

Management Response:

- Guadalupe County Hospital will immediately reduce its mileage reimbursement rate to \$.32 per mile to comply with the State of New Mexico's Per Diem and Mileage Act.

FS 08-05 Business Office Billing and Collection Procedures (Repeated)

Condition:

- During our testwork of the internal controls in the building office we noted that adjustments to patient accounts were not being monitored or reviewed by those other than the billing office staff.
- In addition, during the review of the internal controls it was noted that the cash receipt books were numbered, but not being reconciled, and that the individuals who has the receipt book also has the ability to generate charges.

Criteria:

- Adjustments to patient accounts should be reviewed and approved by someone not associated with the billings or collections process.
- Receipt books should not be pre-numbered and reconciled on a regular basis.

Effect:

- When allowances are not reviewed, it is possible for the business office to misallocate or write off accounts which should not be written off. It is possible that the internal control are not being followed and possible misappropriation of funds could occur. It is therefore important to review these allowances to make sure they are appropriate and that the proper allocation of allowances is followed. It may be taking longer to collect needed cash, and in addition, the hospital is losing money that it could potentially collect.

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

- It may be possible that a person could generate a charge for a patient, take their money, give them a receipt, and then keep the money.

Cause:

- The Hospital has not established a procedure to review adjustments and write-offs of patient accounts. The hospital has not established a policy reconciling the pre-numbered receipt books.

Auditor's Recommendation:

- We recommend that all adjustments and write-offs be reviewed either by the CFO or hospital administrator.
- We recommend that the hospital use pre-numbered receipt books and reconcile them on a regular basis.

Management Response:

- Guadalupe County Hospital will develop and implement a process for reviewing all adjustments and write offs either by the CFO or the Hospital Administrator.
- Guadalupe County Hospital will Develop and implement a process to ensure that pre-numbered receipt books are controlled and periodically reconciled.

FS 09-1 Contracting For Audit Services

Condition:

- The Hospital had an audit performed without having an approved contract by the State Auditor's office

Criteria:

- Section 12-6-14 NMSA 1978 states " the State Auditor shall notify each agency designated for an audit by an independent auditor of its choice in accordance with procedures prescribed by rules of the state auditor.

Effect:

- A valid audit contract was not in place when the hospital had its June 30, 2009 audit performed.

Cause:

- The auditor mistakenly believed that the audit contract had been signed and submitted to the State Auditor's office.

Recommendation:

- The hospital should not engage without a valid contract in place.

Management Response:

- Guadalupe County Hospital will implement measures to ensure that proper procedures and timelines are followed in procuring and contracting for an annual audit.

Section III – FEDERAL AWARD FINDINGS

NONE

Section IV – PRIOR YEAR AUDIT FINDINGS

FS 06-01 — Financial Records - Repeated

FS 06-03 — Audit Report Not Submitted Timely – Resolved

FS 08-01 Travel and Per Diem (Guadalupe County Hospital), Repeated

FS 08-02 Internal Controls over Payroll Processing (Guadalupe County Hospital), Resolved

FS 08-03 Pledging of Collateral for Public Money (Guadalupe County Hospital), Resolved

FS 08-04 Accounting for Patient Revenue and Accounts Receivable (MW) (Guadalupe County Hospital), Resolved

FS 08-05 Business Office Billing and Collection Procedures (Guadalupe County Hospital), Repeated

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2009

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 November 13, 2009. The following individuals were in attendance.

Guadalupe County

Glenn Gonzales, Chairman
Andy Madrid, County Manager
Rose Fernandez, Finance
Diana Urban, Accounting
Monica Abeyta, Finance
Michael Chavez, Special Projects

Griego Professional Services, LLC

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