

STATE OF NEW MEXICO
GUADALUPE COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010



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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		Commission Chairman
Richard L. Chavez		Commission Vice-Chairman
James "Bozo" Cordova		Commission Member
	<u>Elected Officials</u>	
Ramona Dodge		County Assessor
Adam J. Gallegos		County Clerk
Michael Lucero		County Sheriff
Marcos Salas		County Treasurer
Gilbert Gomez		Probate Judge
	<u>Administrative Officials</u>	
Andy J. Madrid		County Manager
Rose Fernandez		Finance Director
Gloria Jean Chavez		Finance Officer
Colin Alcott		County Attorney

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STATE OF NEW MEXICO
GUADALUPE COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010
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STATE OF NEW MEXICO
GUADALUPE COUNTY

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FINANCIAL SECTION

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Griego Professional Services, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, its discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Guadalupe County, New Mexico (the County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statement of each of the County's nonmajor governmental and fiduciary funds, and the budgetary comparisons for the major capital project fund, and all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2010, 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 \$6,900,684 as of June 30, 2010, and total revenues of \$7,377,061 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental and fiduciary fund of Guadalupe County, New Mexico as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 4, 2010 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-xii 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 "Supporting Schedules" listed in the table of contents are 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
November 4, 2010

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State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2010

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, Corrections Fund, Road Fund, Indigent Fund, Capital Projects Fund, and Nonmajor Governmental Fund. The Nonmajor Governmental Fund is comprised of 22 individual governmental funds and 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 Income*—In 2010 the County experienced an increase in net assets (net income) of \$392,744. This is much improved over the prior year loss of \$(800,035). This result comes from several sources. The Capital Project Fund ended the year with a \$275,535 gain because not all the capital projects were completed by year end. The most significant transfer between funds during the year was from a Nonmajor Fund (Wind Towers Fund) to the Capital Project Fund for landscaping for the Historic Court House renovation. Additionally the General Fund ended the year with a gain of \$120,753. The gain in the General Fund was achieved primarily due to expense control.

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2010

Net Assets—The assets of the County exceeded its liabilities at the close of FY 10 by \$2,802,237. Of this amount, \$2,241,474 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.

Revenues—Revenues are \$3,788,642 higher than the prior year. During FY 10 the County received significant income from the hospital for the construction of a new hospital facility.

◆ *Expenditures*—

1. During FY 10 Total Governmental Fund revenues exceeded expenditures by \$392,745. Total expenditures in FY 10 were \$11.0 million compared to \$8.4 million in the prior year.
2. Expenses were lower in every expense category except capital expenditures. Capital expenditures increased in FY 10 by \$3.6 million due to new hospital construction.

◆ *Intergovernmental Transfers*—The County supports several of its special revenue funds with transfers from the general fund. The most significant transfer is for landscaping for the newly renovated Historic County Courthouse.

◆ *Overall Financial Condition of Guadalupe County*—In FY 10 the County's revenues exceeded its expenditures by \$392,745. The County enjoys an unrestricted fund balance in the General Fund of \$1,073,412 and unrestricted fund balances in the Special Revenue Funds of \$1,168,062.

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2010

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, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 2,428,444	\$ 2,491,393
Receivables	1,506,030	721,882
Capital assets	<u>23,086,177</u>	<u>18,554,895</u>
Total assets	<u>\$ 27,020,651</u>	<u>\$ 21,768,170</u>
Liabilities and net assets		
Current and other liabilities	\$ 1,048,426	\$ 725,798
Long-term liabilities	<u>1,255,668</u>	<u>1,312,028</u>
Total liabilities	<u>2,304,094</u>	<u>2,091,673</u>
Invested in capital assets, net of related debt	21,716,764	17,087,300
Restricted net assets	560,763	285,228
Unrestricted net assets	<u>2,439,030</u>	<u>2,303,969</u>
Total fund balance	<u>24,716,557</u>	<u>19,676,497</u>
Total liabilities and net assets	<u>\$ 27,020,651</u>	<u>\$ 21,768,170</u>

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2010

Table II

Guadalupe County
Government-Wide
Condensed Statement of Activities—Governmental Activities
Fiscal Year Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Program revenues		
Charges for services	\$ 704,194	\$ 393,981
Operating grants and contributions	2,486,377	3,323,731
Capital grants and contributions	5,825,238	1,551,204
General revenues		
Taxes	2,044,295	1,957,603
Investment	4,730	14,210
Other	<u>305,785</u>	<u>399,168</u>
	<u>11,370,619</u>	<u>7,639,897</u>
Expenditures		
General government	2,190,075	3,234,222
Highways and roads	2,087,153	577,885
Health and welfare	1,477,949	2,761,948
Public safety	490,703	189,742
Culture and recreation	44,962	44,623
Interest	<u>39,717</u>	<u>39,530</u>
Total expenditures	<u>6,330,559</u>	<u>6,847,950</u>
Increase in net assets	<u>5,040,060</u>	<u>791,947</u>
Transfers	<u>-</u>	<u>-</u>
Increase in net assets	<u>5,040,060</u>	<u>791,947</u>
Prior Period Adjustment	-	
Fund balance, beginning	<u>19,676,497</u>	<u>18,884,550</u>
Fund balance, ending	<u>\$ 24,716,557</u>	<u>\$ 19,676,497</u>

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2010

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 \$1,867,055 and were increased by \$960 to \$1,868,015. Budgeted expenses of the General Fund were increased \$23,170 to allow for increased costs in several departments.
- ◆ Significant *revenue variances* in actual results vs. budget—Actual General Fund revenues are \$58,288 more than budgeted revenues. Tax revenues were \$11,782 more than budgeted while Payment in lieu of Taxes was \$50,183 more than budgeted.
- ◆ Significant *expenditure variances* in actual results vs. budget—Actual general fund expenditures are \$359,072 less than budgeted expenditures. The most significant variance is in capital outlay where actual expenditures were less than budgeted by \$213,040 due to less expenditures than planned. The balance of the variance is in General Government where expenditures were \$146,032 less than budgeted.
- ◆ 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, 2010

Table III

Guadalupe County
Statement of Revenues and Expenditures—
Budget and Actual—General Fund
Fiscal Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Taxes	\$ 1,267,777	\$ 1,279,559	\$ 11,782
Intergovernmental	457,460	464,157	6,697
Other	<u>142,778</u>	<u>182,587</u>	<u>39,809</u>
Total revenues	<u>1,868,015</u>	<u>1,926,303</u>	<u>58,288</u>
Expenditures			
General Government	1,960,073	1,814,041	146,032
Capital Outlay	<u>218,427</u>	<u>5,387</u>	<u>213,040</u>
Total expenditures	<u>2,178,500</u>	<u>1,819,428</u>	<u>359,072</u>
Revenues over expenditures	<u>(310,485)</u>	<u>106,875</u>	<u>417,360</u>
Other financing sources (uses)			
Transfers, net	-	2,105	2,105
Designated Cash	<u>310,485</u>	<u>-</u>	<u>(310,485)</u>
Total other financing sources	<u>310,485</u>	<u>2,105</u>	<u>(308,380)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 108,980</u>	<u>\$ 108,980</u>

State of New Mexico
Guadalupe County
Management's Discussion and Analysis
June 30, 2010

Table III — continued

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, 2010

Component Unit

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 16 to the financial statements.

Significant Capital Asset and Long-Term Debt Activity

- ◆ *Significant Capital Asset Additions*—Capital asset additions for FY 10 total \$5,997,972. Approximately \$4 million was expended on a new hospital facility that is under construction and expected to be completed early in the Spring of 2011. Other significant capital asset additions include approximately \$900k in water system improvements, \$500k in road improvements, \$400k in Historic Court House renovations, and \$90k for a new community center in Anton Chico.
- ◆ *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 10 the County initiated a new borrowing of \$58,950 to purchase two police vehicles for the Sheriffs' Department.

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, 2010

Exhibit A-1

	Governmental Activities	Component Unit
ASSETS		
Current Assets		
Cash and temporary investments	\$ 2,428,444	\$ 4,743,691
Receivables (net of allowance for uncollectibles)	1,506,030	1,487,434
Supplies inventory and other assets	-	178,849
Total Current Assets	3,934,474	6,409,974
Noncurrent Assets		
Investments	-	240,175
Restricted assets:		
Capital assets	42,982,351	707,528
Less: accumulated depreciation	(19,896,174)	(456,993)
Total capital assets	23,086,177	250,535
Total noncurrent Assets	23,086,177	490,710
Total assets	\$ 27,020,651	\$ 6,900,684

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
GUADALUPE COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2010

Exhibit A-1

	Governmental Activities	Component Unit
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 818,966	\$ 942,226
Accrued payroll	65,263	74,159
Accrued interest	138	-
Estimated third party settlement	-	16,710
Current portion of compensated absences	12,579	35,908
Current portion of long-term obligations	151,480	16,600
Total Current Liabilities	1,048,426	1,085,603
Noncurrent liabilities:		
Compensated Absences	37,735	-
Noncurrent portion of long-term obligations	1,217,933	66,386
Total liabilities	2,304,094	1,151,989
Invested in capital assets, net of related debt	21,716,764	167,549
Restricted for:		
Capital projects	560,763	-
Unrestricted	2,439,030	5,581,146
Total net assets	24,716,557	5,748,695
Total liabilities and net assets	\$ 27,020,651	\$ 6,900,684

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, 2010

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 2,190,075	\$ 157,810	\$ 632,949	\$ -
Public safety	490,703	254,691	564,200	-
Culture and recreation	44,962	-	10,601	-
Health and welfare	1,477,949	-	1,278,427	4,401,125
Public works	2,087,153	291,693	200	1,424,113
Interest relating to long term debt	39,717	-	-	-
Total primary government	6,330,559	704,194	2,486,377	5,825,238
Component unit:				
Guadalupe County Hospital	3,843,743	3,322,845	5,817	-
Total component unit	\$ 3,843,743	\$ 3,322,845	\$ 5,817	\$ -

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
- Non-operating grant income
- Contributions to County for hospital construction
- 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
\$ (1,399,316)	\$ -
328,188	-
(34,361)	-
4,201,603	-
(371,147)	-
(39,717)	-
<u>2,685,250</u>	<u>-</u>
-	(515,081)
<u>\$ -</u>	<u>\$ (515,081)</u>
1,204,951	-
471,664	-
367,547	-
-	434,453
133	-
305,785	-
4,730	124,232
-	3,455,717
-	29,093
-	(3,914,981)
-	4,904
<u>2,354,810</u>	<u>133,418</u>
5,040,060	(381,663)
<u>19,676,497</u>	<u>6,130,358</u>
<u>\$ 24,716,557</u>	<u>\$ 5,748,695</u>

STATE OF NEW MEXICO
GUADALUPE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund 101	Corrections Fund 201	Road Fund 204
ASSETS			
<i>Current:</i>			
Cash and temporary investments	\$ 993,684	\$ 73,235	\$ 259,302
Accounts receivable			
Property taxes	337,468	-	-
Intergovernmental	-	48,727	30,179
Other receivables	25,092	-	-
Interfund balances	22,840	-	-
	\$ 1,379,084	\$ 121,962	\$ 289,481
<i>Total current assets</i>	\$ 1,379,084	\$ 121,962	\$ 289,481
 LIABILITIES AND FUND BALANCE			
<i>Current Liabilities:</i>			
Accounts payable	\$ 12,715	\$ 38,008	\$ 6,089
Accrued payroll	44,949	-	11,503
Interfund balances	-	-	-
Deferred revenue - property taxes	248,008	-	-
	305,672	38,008	17,592
<i>Total current liabilities</i>	305,672	38,008	17,592
 <i>Fund balance:</i>			
Reserved			
Reserved for capital projects	-	-	-
Unreserved			
Undesignated, reported in			
General fund	1,073,412	-	-
Special revenue funds	-	83,954	271,889
	1,073,412	83,954	271,889
<i>Total fund balance</i>	1,073,412	83,954	271,889
<i>Total liabilities and fund balance</i>	\$ 1,379,084	\$ 121,962	\$ 289,481

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

Indigent Fund 220	Capital Project 300	Nonmajor Governmental Funds	Total Governmental Funds
\$ 14,221	\$ 456,489	\$ 631,513	\$ 2,428,444
-	-	-	337,468
-	829,289	176,641	1,084,836
22,212	22,212	14,210	83,726
-	-	-	22,840
<u>\$ 36,433</u>	<u>\$ 1,307,990</u>	<u>\$ 822,364</u>	<u>\$ 3,957,314</u>
\$ -	\$ 747,227	\$ 14,927	\$ 818,966
-	-	8,811	65,263
-	-	22,840	22,840
-	-	-	248,008
<u>-</u>	<u>747,227</u>	<u>46,578</u>	<u>1,155,077</u>
-	560,763	-	560,763
-	-	-	1,073,412
36,433	-	775,786	1,168,062
<u>36,433</u>	<u>560,763</u>	<u>775,786</u>	<u>2,802,237</u>
<u>\$ 36,433</u>	<u>\$ 1,307,990</u>	<u>\$ 822,364</u>	<u>\$ 3,957,314</u>

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

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STATE OF NEW MEXICO
GUADALUPE COUNTY
GOVERNMENTAL FUNDS

Exhibit B-1
(Page 2 of 2)

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

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

Fund balances - total governmental funds	\$ 2,802,237
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,086,177
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	248,008
Accrued interest expense	(138)
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	(1,369,413)
Compensated absences	(50,314)
Total Net Assets	<u>\$ 24,716,557</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, 2010

	General Fund 101	Corrections Fund 201	Road Fund 204
<i>Revenues:</i>			
Property taxes	\$ 1,190,650	-	-
Gross receipts taxes	142,104	-	-
Other taxes	89	-	367,547
State grants	381,734	127,365	250,870
Federal grants	-	-	-
Licenses and fees	-	212,967	-
Charges for services	32,090	36,024	73,110
Investment income	2,236	466	-
Miscellaneous	148,261	-	-
<i>Total revenues</i>	<u>1,897,164</u>	<u>376,822</u>	<u>691,527</u>
<i>Expenditures:</i>			
Current			
General Government	1,773,129	-	-
Public safety	-	370,133	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Public works	-	-	656,099
Capital outlay	5,387	-	2,191
Debt service			
Principal	-	13,571	-
Interest	-	-	-
<i>Total expenditures</i>	<u>1,778,516</u>	<u>383,704</u>	<u>658,290</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>118,648</u>	<u>(6,882)</u>	<u>33,237</u>
<i>Other financing sources (uses):</i>			
Proceeds from note payable	-	-	-
Operating transfers in (out)	2,105	55,571	-
<i>Total other financing sources (uses)</i>	<u>2,105</u>	<u>55,571</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	120,753	48,689	33,237
<i>Fund balances - beginning of year</i>	<u>952,659</u>	<u>35,265</u>	<u>238,652</u>
<i>Fund balances - end of year</i>	<u>\$ 1,073,412</u>	<u>\$ 83,954</u>	<u>\$ 271,889</u>

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

Indigent Fund 220	Capital Project 300	Nonmajor Governmental Funds	Total Governmental Funds
-	-	\$ -	\$ 1,190,650
109,438	186,369	33,753	471,664
-	-	44	367,680
841,077	1,686,710	759,564	4,047,320
-	-	123,615	123,615
-	-	38,499	251,466
-	218,583	94,873	454,680
127	-	1,901	4,730
-	4,138,728	157,524	4,444,513
<u>950,642</u>	<u>6,230,390</u>	<u>1,209,773</u>	<u>11,356,318</u>
-	-	60,021	1,833,150
-	-	340,635	710,768
-	-	44,962	44,962
940,573	-	363,369	1,303,942
-	292,006	223,542	1,171,647
-	5,604,595	149,015	5,761,188
-	125,519	18,042	157,132
-	39,735	-	39,735
<u>940,573</u>	<u>6,061,855</u>	<u>1,199,586</u>	<u>11,022,524</u>
<u>10,069</u>	<u>168,535</u>	<u>10,187</u>	<u>333,794</u>
-	-	58,950	58,950
-	107,000	(164,676)	-
-	107,000	(105,726)	58,950
10,069	275,535	(95,539)	392,744
<u>26,364</u>	<u>285,228</u>	<u>871,325</u>	<u>2,409,493</u>
<u>\$ 36,433</u>	<u>\$ 560,763</u>	<u>\$ 775,786</u>	<u>\$ 2,802,237</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, 2010

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	\$	392,744
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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		5,997,972
Depreciation expense		(1,466,690)

Revenues in the statement of activities that do not provide current financial resources: Change in deferred revenue related to the property taxes receivable		14,301
--	--	--------

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

Decrease in accrued interest payable		18
Decrease in accrued compensated absences		3,533
Proceeds from note		(58,950)
Principal payments on notes		157,132
		157,132
Changes in Net Assets	\$	5,040,060

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 1,267,777	\$ 1,267,777	\$ 1,279,559	\$ 11,782
Intergovernmental	456,500	457,460	464,157	6,697
Licenses and fees	-	-	-	-
Charges for services	36,700	36,700	32,090	(4,610)
Investment income	8,000	8,000	2,236	(5,764)
Miscellaneous	98,078	98,078	148,261	50,183
<i>Total revenues</i>	<u>1,867,055</u>	<u>1,868,015</u>	<u>1,926,303</u>	<u>58,288</u>
<i>Expenditures:</i>				
<i>Current</i>				
General Government	1,917,530	1,960,073	1,814,041	146,032
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	237,800	218,427	5,387	213,040
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,155,330</u>	<u>2,178,500</u>	<u>1,819,428</u>	<u>359,072</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(288,275)</u>	<u>(310,485)</u>	<u>106,875</u>	<u>417,360</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	2,105	2,105
Bond proceeds	-	-	-	-
Designated cash	288,275	310,485	-	(310,485)
<i>Total other financing sources (uses)</i>	<u>288,275</u>	<u>310,485</u>	<u>2,105</u>	<u>(308,380)</u>
<i>Net change in fund balances</i>	-	-	108,980	108,980
<i>Fund balances - beginning of year</i>	-	-	907,544	907,544
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,016,524</u>	<u>\$ 1,016,524</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(29,139)	
Expenditure accruals			40,912	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 120,753</u>	

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

STATE OF NEW MEXICO

Exhibit C-2

GUADALUPE COUNTY

CORRECTIONS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	145,000	145,000	114,662	(30,338)
Licenses and fees	170,000	170,000	212,967	42,967
Charges for services	-	-	-	-
Investment income	1,000	1,000	466	(534)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>316,000</u>	<u>316,000</u>	<u>328,095</u>	<u>12,095</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	438,000	438,000	352,793	85,207
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>	<u>451,571</u>	<u>451,571</u>	<u>366,364</u>	<u>85,207</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(135,571)</u>	<u>(135,571)</u>	<u>(38,269)</u>	<u>97,302</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	55,571	55,571
Bond proceeds	-	-	-	-
Designated cash	135,571	135,571	-	(135,571)
<i>Total other financing sources (uses)</i>	<u>135,571</u>	<u>135,571</u>	<u>55,571</u>	<u>(80,000)</u>
<i>Net change in fund balances</i>	-	-	17,302	17,302
<i>Fund balances - beginning of year</i>	-	-	55,933	55,933
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,235</u>	<u>\$ 73,235</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			48,727	
Expenditure accruals			(17,340)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 48,689</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 400,000	\$ 400,000	\$ 370,320	\$ (29,680)
Intergovernmental	252,212	252,212	250,870	(1,342)
Licenses and fees	-	-	-	-
Charges for services	88,481	88,481	73,110	(15,371)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>740,693</u>	<u>740,693</u>	<u>694,300</u>	<u>(46,393)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	777,808	777,808	668,671	109,137
Capital outlay	42,000	42,000	2,191	39,809
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>819,808</u>	<u>819,808</u>	<u>670,862</u>	<u>148,946</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(79,115)</u>	<u>(79,115)</u>	<u>23,438</u>	<u>102,553</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	79,115	79,115	-	(79,115)
<i>Total other financing sources (uses)</i>	<u>79,115</u>	<u>79,115</u>	<u>-</u>	<u>(79,115)</u>
<i>Net change in fund balances</i>	-	-	23,438	23,438
<i>Fund balances - beginning of year</i>	-	-	235,864	235,864
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,302</u>	<u>\$ 259,302</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(2,773)	
Expenditure accruals			<u>12,572</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 33,237</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 130,000	\$ 130,000	\$ 109,438	\$ (20,562)
Intergovernmental	76,374	873,151	818,865	(54,286)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	300	300	127	(173)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>206,674</u>	<u>1,003,451</u>	<u>928,430</u>	<u>(75,021)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	233,038	1,029,815	940,573	89,242
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>233,038</u>	<u>1,029,815</u>	<u>940,573</u>	<u>89,242</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(26,364)</u>	<u>(26,364)</u>	<u>(12,143)</u>	<u>14,221</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	26,364	26,364	-	(26,364)
<i>Total other financing sources (uses)</i>	<u>26,364</u>	<u>26,364</u>	<u>-</u>	<u>(26,364)</u>
<i>Net change in fund balances</i>	-	-	(12,143)	(12,143)
<i>Fund balances - beginning of year</i>	-	-	26,364	26,364
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,221</u>	<u>\$ 14,221</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			22,212	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 10,069</u>	

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, 2010

	<u>Agency Funds</u>
ASSETS	
Property taxes recievable	<u>\$ 403,240</u>
<i>Total assets</i>	<u><u>\$ 403,240</u></u>
 LIABILITIES	
Due to other taxing units	<u>\$ 403,240</u>
<i>Total liabilities</i>	<u><u>\$ 403,240</u></u>

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010

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, 2010

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 *Correction Fee Fund* accounts for Funds are used to defray expense of housing prisoners. 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.

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 *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 *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, 2010

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, 2010

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, 2010

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, 2010

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 \$560,763 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, 2010

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, 2010 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, 2010.

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, 2010

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, 2010, 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.

	<u>Wells Fargo Bank</u>	<u>Community 1st Bank</u>	<u>First National Bank of NM</u>	<u>Total</u>
Total amounts of deposits*	\$ 1,863,275	\$ 360,917	\$ 142,690	\$ 2,366,882
FDIC coverage	<u>(500,000)</u>	<u>(350,000)</u>	<u>(142,690)</u>	<u>(992,690)</u>
Total uninsured public funds	<u>\$ 1,363,275</u>	<u>\$ 10,917</u>	<u>\$ ---</u>	<u>\$ 1,374,192</u>
Collateral requirement (50% of uninsured public funds)	\$ 681,638	\$ 5,459	\$ ---	455,007
Pledged security	<u>2,788,292</u>	<u>---</u>	<u>---</u>	<u>2,788,292</u>
Total under (over) collateralized	<u>\$ (2,106,654)</u>	<u>\$ 5,459</u>	<u>\$ ---</u>	<u>(2,101,195)</u>

* - Total amount of deposits per bank includes deposit accounts and certificates of deposit.

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, 2010, 1,347,192 of the County's bank balance of \$2,366,882 was exposed to custodial credit risk because it was uninsured and the collateral was held by the pledging bank's trust department, not in the County's name.

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3. Cash and Temporary Investments (continued)

Investments

As of June 30, 2010 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>
U.S. Treasury Fund	135,171	135,171			
State Treasurer's Investment	386	386	—	—	—
Certificate of Deposit	814,180	814,180	—	—	—
Total	949,373	949,373	—	—	—

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, 2010, the County's investment of New MexiGROW LGIP had a value of \$386.

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, 2010, the County's investment of New MexiGROW LGIP had a credit risk rating of AAAm and a WAM of 50 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, First National Bank of New Mexico Certificates of Deposits, U.S. Treasury Fund (Bank of New York Mellon 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 its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government with ratings A to AAA by Moody's Investors Service and S&P. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2010. 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, 2010, are as follows:

	<u>General</u>	<u>Corrections</u>	<u>Road</u>	<u>Indigent</u>	<u>Capital</u>	<u>Nonmajor</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Projects</u>	<u>Governmental</u>	<u>Total</u>
					<u>Fund</u>	<u>Funds</u>	
Property Taxes	\$ 337,468	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 337,468
Intergovernmental	—	48,727	30,179	—	95,530	176,641	351,077
Other Receivables	25,092	—	—	22,212	755,971	14,210	817,485
Total Receivables	362,560	48,727	30,179	22,212	851,501	190,851	1,506,030

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 \$248,008, as presented in the general fund.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5. Interfund Receivables, Payables, and Transfers

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

Transfers from the County Property Valuation Fund to:	
General Fund	\$ 588
Total transfers from the County Property Valuation Fund	<u>\$ 588</u>
Transfers from DWI Distribution Fund to:	
DWI Screening	\$ 64
Total transfers from the DWI Distribution Fund	<u>\$ 64</u>
Transfers from DWI Screening Fund to:	
General Fund	\$ 51
Total transfers from the DWI Screening Fund	<u>\$ 51</u>
Transfers from Emergency Management Fund to:	
Farm and Range	\$ 23,284
Recreation	11,834
General Fund	<u>782</u>
Total transfers from the Emergency Management Fund	<u>\$ 35,900</u>
Transfers from Windmill Fund to:	
Capital Projects Funds	\$ 107,000
Senior Citizens	83,553
Environmental Gross Receipts	80,977
Corrections Fund	55,571
General	<u>684</u>
Total transfers from the Windmill Fund	<u>\$ 327,785</u>

Receivables and payables from interfund transactions as of June 30, 2010 are listed below. The majority of interfund balances were affected or created due to cash overdrafts and a few other balances are either carried forward from the prior year, or were created when expenditures were inadvertently recorded in the incorrect fund and later adjusted to the correct fund.

	<u>Due to</u> <u>General Fund</u>	<u>Due from</u> <u>Other Funds</u>
General Fund	\$ —	\$ 22,840
La Loma Senior Center Fund	130	
DWI Grant Fund	9,286	—
Homeland Security Fund	<u>13,423</u>	<u>—</u>
Total due to General Fund	<u>\$ 22,840</u>	<u>\$ 22,840</u>

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2010, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and Construction in Progress are not subject to depreciation.

Governmental Activities:

	Balance <u>June 30, 2009</u>	<u>Additions</u>	Deletions/ <u>Transfers</u>	Balance <u>June 30, 2010</u>
Capital Assets Used in Governmental Activities:				
Capital Assets not being depreciated:				
Construction in Progress	—	4,138,529	—	4,138,529
Land	\$ 72,400	\$ 79,998	\$ —	\$ 152,398
Subtotal	<u>72,400</u>	<u>4,218,527</u>	<u>—</u>	<u>4,290,927</u>
Capital Assets being depreciated:				
Buildings	6,511,843	278,486	—	6,790,329
Machinery and Equipment	5,735,570	186,063	—	5,921,633
Furniture and Fixtures	1,100,914	37,637	—	1,138,551
Infrastructure	<u>23,563,652</u>	<u>1,277,259</u>	<u>—</u>	<u>24,840,911</u>
Subtotal	<u>36,911,979</u>	<u>1,779,445</u>	<u>—</u>	<u>38,691,424</u>
 Total Capital Assets	 <u>\$ 36,984,379</u>	 <u>\$ 5,997,972</u>	 <u>\$ ---</u>	 <u>\$ 42,982,351</u>
Less Accumulated Depreciation:				
Furniture and Fixtures	\$ 2,509,689	\$ 133,617	\$ —	2,643,306
Buildings	3,949,563	799,172	—	7,748,735
Machinery and Equipment	283,957	50,558	—	334,515
Infrastructure	<u>11,686,275</u>	<u>483,343</u>	<u>—</u>	<u>12,169,618</u>
 Total	 <u>\$ 18,429,484</u>	 <u>\$ 1,466,690</u>	 <u>\$ ---</u>	 <u>\$ 19,896,174</u>
 Net Capital Assets	 <u>\$ 18,554,895</u>	 <u>\$ 4,531,282</u>	 <u>\$ ---</u>	 <u>\$ 23,086,177</u>

Depreciation expense for the year ended June 30, 2010 was charged to the following functions and funds:

General Government	\$ 277,387
Public Works	1,055,295
Health and Welfare	123,743
Public Safety	<u>10,265</u>
 Total depreciation expense: governmental activities	 <u>\$ 1,466,690</u>

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7. Long-term Debt

During the year ended June 30, 2010, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Current</u> <u>Maturities</u>
<i>Governmental Activities:</i>					
Notes Payable	\$ 1,467,595	\$ 58,950	\$ 157,132	\$ 1,369,413	\$ 151,480
Compensated Absences	<u>53,847</u>	<u>56,817</u>	<u>60,350</u>	<u>50,314</u>	<u>12,579</u>
Total Long-Term Debt	<u>\$ 1,521,442</u>	<u>\$ 115,767</u>	<u>\$ 217,482</u>	<u>\$ 1,419,726</u>	<u>\$ 164,059</u>

The annual requirements to amortize the notes as of June 30, 2010, 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>
2011	\$ 151,480	\$ 36,622	\$ 188,103
2012	107,733	33,216	140,950
2013	108,955	31,501	140,456
2014	98,014	29,710	127,724
2015	85,669	27,929	113,598
2016-2020	274,164	107,320	381,484
2021-2025	384,604	54,034	438,637
2026-2030	<u>158,792</u>	<u>6011</u>	<u>164,802</u>
	<u>\$ 1,369,412</u>	<u>\$ 326,343</u>	<u>\$ 1,695,755</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, 2010, compensated absences decreased \$3,533 over the prior year accrual. See Note 1 for more details.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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:

Nonmajor Funds:

Recreation	2,948
La Loma Senior Center	130
Homeland Security	<u>13,423</u>
Total Nonmajor Funds	16,501

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, 2010

NOTE 10. Other Required Individual Fund Disclosures (continued)

B. There were no excess of expenditures over appropriations. The following funds exceeded approved budgetary authority for the year ended June 30, 2010.

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 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, 2010, 2009 and 2008 were \$139,823, \$120,784, and \$110,714, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 12. Post Employment Benefits—State Retiree Health Care Plans

The County has not elected to participate in the New Mexico Retiree Health Care Plan and there are no required contributions for fiscal year ending June 30, 2010.

NOTE 13. Contingent Liabilities

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

NOTE 14. 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 15. Subsequent Accounting Standard Pronouncements

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.

In March 2009, the GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is effective upon issuance. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature. The "GAAP hierarchy" consists of the sources of accounting principles used in the preparation of financial statements of state and local governmental entities that are presented in conformity with GAAP, and the framework for selecting those principles.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
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NOTE 15. Subsequent Accounting Standard Pronouncements (continued)

In March 2009, the GASB issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, which is effective upon issuance. The objective of this Statement is to incorporate into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes accounting principles—related party transactions, going concern considerations, and subsequent events. The presentation of principles used in the preparation of financial statements is more appropriately included in accounting and financial reporting standards rather than in the auditing literature.

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plan*, which is effective for financial statement periods beginning after June 15, 2011. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers).

In December 2009, the GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, which is effective for financial statement periods beginning after June 15, 2009. The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. It requires governments to re-measure liabilities that are adjusted in bankruptcy when the bankruptcy court confirms a new payment plan.

In June 2010, the GASB issued Statement No. 59, *Financial Instruments Omnibus*, which is effective for financial statement periods beginning after June 15, 2010. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools.

NOTE 16. Guadalupe County Hospital

Hospital Note 1. Nature of Operations and Summary of Significant Accounting Policies

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 primarily earns revenues by providing inpatient, outpatient, and emergency care services to patients in the Guadalupe County Area. There are no component units of the hospital.

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 stipulates a monthly fee to be paid New Mexicare based on 4% of generated monthly gross revenues, excluding certain revenues. It also stipulates a monthly fee to be paid to 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 days written notice to New Mexicare; New Mexicare may terminate the agreement, with or without cause, upon ninety days written notice to the County.

Basis of Accounting and Presentation

The Hospital follows proprietary fund accounting. Proprietary funds are accounted for on the flow of economic measurement focus and the full accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated non-exchange transactions (principally federal and state grants and county

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NOTES TO FINANCIAL STATEMENTS
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NOTE 16. Guadalupe County Hospital (continued)

Hospital Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

appropriations) are recognized when all applicable eligibility requirements are met. Operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the hospital. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Hospital prepares its financial statements as a business-type activity in conformity with applicable pronouncements of the governmental Accounting Standards Board (GASB). Pursuant to GASB Statement No. 20, the Hospital has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB) that were issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements.

Budgetary Data

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

Use of Estimates

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

Cash and Cash Equivalents

The Hospital considers all liquid investments with original maturities of three months or less to be cash equivalents.

Patient Accounts Receivable and Allowances

The Hospital reports patient accounts receivable for services rendered at net realizable amounts from third-party payors, patients, and others. Contractual allowances represent the amounts from third-party payors, patients, and others. Contractual allowances represent the amounts which reduce patient accounts receivable to amounts that are considered to be collectible from third-party payors based on existing contracts the Hospital has with these payors.

The allowance for doubtful patient accounts receivable is that amount which, in management's judgment, is adequate to reduce patient accounts receivable to an amount that is considered to be ultimately collectible. The Hospital calculates both the contractual allowance and allowance for doubtful accounts based on percentages of accounts receivable aging categories that consider historical contractual adjustments and write-offs by major payor categories over the past several years. Allowances are deducted from gross patient accounts receivable on the balance sheets.

Management believes that the allowances for doubtful accounts and contractual allowances are adequate. Because of the uncertainty regarding the ultimate collectability of patient accounts receivable, there is a possibility that recorded estimates of the allowance for doubtful accounts and contractual allowances will change by a material amount in the near term.

Additionally, the Hospital evaluates patient accounts receivable balances older than one year to determine collectability. 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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
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NOTE 16. Guadalupe County Hospital (continued)

Hospital Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors and others for services rendered and include estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as more information is available to improve estimates or final settlements are determined.

Inventories

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

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.

Capital assets are recorded at cost at the date of acquisition. The Hospital's policy is to expense items with the costs less than 5,000, in accordance with Section 12-6-10 NMSA 1978. Costs incurred for repair and maintenance that do not improve or extend the lives of property and equipment are charges to expense as incurred.

Depreciation is computed using the straight-line method over the estimated useful life of equipment which ranges from five to ten years.

Compensated Absences

The liability for compensated absences consists using the vesting method, whereby leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the near future to receive such payments upon termination are included. Employees with accumulated sick leave in excess of 600 hours may elect to be paid 50% of such excess on an annual basis up to 120 hours (net 60 hours can be paid.).

Net Assets

Net assets of the Hospital are classified in two components. Net assets invested in capital assets, net of related debt, consist of capital assets net of accumulated depreciation, and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Unrestricted net assets are remaining assets less remaining liabilities that do not meet the definition of invested in capital assets, net of related debt.

Charity Care

The Hospital provides care without charge or at amounts less than its established rates to patients meeting certain under its clarity under its charity care policy. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, these amounts are not reported as net patient services revenue . The Hospital maintains records to identify and monitor the level of charity care provided. Those records include the amount of charges foregone for services and supplies furnished under the Hospital's charity care policy and aggregated approximately \$37,000 and \$29,000 in 2010 and 2009, respectively. Bad debts are often indistinguishable from charity services and could also be considered a component of uncompensated care.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 16. Guadalupe County Hospital (continued)

Hospital Note 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Income Taxes

As a political subdivision of the county, the Hospital is exempt from federal and state income tax.

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 received during the month.

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 restricted resources before unrestricted resources.

Reclassifications

Certain reclassifications have been made to the 2009 financial statement amounts to conform to the 2010 presentation. The reclassifications had no effect on net assets.

Subsequent Events

Subsequent events through October 31, 2010, the date which the financial statements were available to be issued, were evaluated for recognition and disclosure in the June 30, 2010, financial statements.

Hospital Note 2. Net Patient Service Revenue

A summary of 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 costs reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

Medicaid—The State of New Mexico (the "State") administers its Medicaid program through contracts with several 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 the hospital, physicians, and ancillary providers. As a result, the MCOs assume the financial risk of providing health care to its members.

Through the Hospital's contracts with MCOs, inpatient acute care services and outpatient services rendered to Medicaid program beneficiaries are paid at prospectively determined rates per discharge and discounted fee schedules. These rates vary accordingly to a patient classification system that is based on clinical, diagnostic, and other factors.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 16. Guadalupe County Hospital (continued)

Hospital Note 2. Net Patient Service Revenue (continued)

Behavioral and home health services rendered to Medicaid program beneficiaries are paid using 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 Medicaid fiscal intermediary.

Medicare and Medicaid cost report receivables (liabilities) for the year ended June 30, 2010 are as follows:

	Amount	Status
Medicare		
2006	\$ -	Final Settlement
2007	-	Final Settlement
2008	1,710	Tentative Settlement
2009	10,000	Tentative Settlement
2010	<u>5,000</u>	Not Filed
	<u>16,710</u>	
Medicaid		
2006	-	Final Settlement
2007	-	Final Settlement
2008	-	Final Settlement
2009	-	Filed
2010	<u>-</u>	Not Filed
	<u>-</u>	
Estimated third party payer settlements	<u>\$ 16,710</u>	

Management believes that these estimates 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 or more information is available to improve estimates, differences are reflected in current operations.

Settlements of prior-year cost reports and changes in estimates resulted in a decrease to net patient service revenue of approximately \$19,000 for the year ended June 30, 2010.

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 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, 2010:

	2010
Gross charges	\$ 4,820,508
Add (less) third-party contractual adjustments and cost report settlements	(853,998)
Less bad debts and changes in allowance for uncollectible accounts	(606,940)
Less charity care	<u>(36,725)</u>
Net patient service revenue	<u>\$ 3,322,845</u>

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 16. Guadalupe County Hospital (continued)

Hospital Note 3. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Hospital's deposits may not be returned to it. In accordance with Section 6-10-17, NMSA, 1978 compilation, the Hospital is required to obtain collateral in an amount equal to one-half of the deposited public money in excess of \$250,000. The Hospital's policy is to require that at least one-half of the deposited public money in excess of \$250,000 be collateralized. As of June 30, 2010, the Hospital had deposits with a bank balance of \$3,333,552, of which \$1,467,600 were uninsured and uncollateralized, and therefore subject to custodial credit risk. As of June 30, 2009, the Hospital had deposits with a bank balance of \$2,202,709, of which \$1,612,550 were uninsured and uncollateralized, and therefore subject to custodial credit risk.

Investments

The Hospital does not have a formal investment policy with respect to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

As of June 30, 2010, the Hospital's investments mature as follows:

<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>
Negotiable CDs	\$ 1,619,780	\$ 1,379,605	\$ 240,175	=	=

Disclosures Relating to Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Hospital will not be able to recover the value of its investment in the possession of another party. The Hospital's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments.

Disclosures Relating to General Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization (S&P).

The credit quality of the Hospital's investments as of June 30, 2010, was as follows (based on most recently published public information for the date of the balance sheet):

<u>June 30, 2010</u>			
<u>Investment Type</u>	<u>Rating</u>	<u>Rating Agency</u>	<u>Amount</u>
Negotiable CDs	AAA	Standard & Poor's	<u>\$1,619,780</u>

Disclosures Relating to Concentration of Credit Risk

The Hospital places no limit on the amount that may be invested in any one issuer. The Hospital does not have investments in any one issuer that represent 5% or more of total Hospital investments.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 16. Guadalupe County Hospital (continued)

Hospital Note 3. Deposits and Investments

Disclosures Relating to Currency Risk

Currency risk is risk that changes in the value of the U.S. dollar against other foreign currencies will adversely affect the fair value of investments in foreign securities. The Hospital's investment policy does not require foreign securities to be hedged against currency risk. The Hospital does not have any investments in foreign securities.
 Reconciliation to Balance Sheets

The carrying values of deposits and investments are included in the balance sheets as follows:

Carrying Value	<u>2010</u>
Deposits	\$ 3,364,086
Investments	<u>1,619,780</u>
Total uninsured public funds	<u>\$ 4,983,866</u>
Included in the Balance Sheet captions	
Cash and cash equivalents	\$ 2,864,086
Certificates of deposit, current	500,000
Investments, current	1,379,605
Pledged security	<u>240,175</u>
Total under (over) collateralized	<u>\$ 4,983,866</u>

Hospital Note 4. Patient Accounts Receivable

The Hospital grants credit without collateral to its patients, many of whom are area residents and are insured under third-party payor agreements.

The Hospital recognizes that revenue and receivables from government agencies are significant to the Hospital's operations, but does not believe that there are any significant credit risks associated with these government agencies. The mix of receivables from patients and third-party payors at June 30, 2010 was as follows:

Medicare	32%
Medicaid	11%
Other Third Party Payors	35%
Self-pay	<u>22%</u>
Total	<u>100%</u>

Patient accounts receivable at June 30 consisted of the items shown below:

Medicare	\$ 332,026
Medicaid	113,783
Other Third Party Payors	365,692
Self-pay	<u>230,499</u>
Total	<u>1,042,000</u>
Less allowance for contractual adjustments	<u>(350,386)</u>
	691,614
Less allowance for uncollectable accounts	<u>(221,213)</u>
Net Patient Accounts Receivable	<u>\$ 470,401</u>

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 16. Guadalupe County Hospital (continued)

Hospital Note 5. Capital Assets

Capital asset activity of the Hospital for the year ended June 30, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Construction in Progress	\$ 449,846	\$ -	(449,846)	\$ -
Capital assets being depreciated				
Equipment	485,175	222,353	-	707,528
Less accumulated depreciation				
Equipment	(423,746)	(33,247)	-	(456,993)
Total, depreciated, net	<u>61,429</u>	<u>(189,106)</u>	<u>-</u>	<u>\$ 250,535</u>
Total capital assets, net	<u>\$ 82,522</u>	<u>\$ 189,106</u>	<u>\$ (449,846)</u>	<u>\$ 250,535</u>

Construction in progress at June 30, 2009 represented design costs for the new hospital building. In 2010, it was determined that the new hospital building would belong to the County and be recorded on their financial statements; therefore, the construction in progress was contributed to the County in 2010. See Note 12 for further information.

Hospital Note 6. Long-Term Obligations

The following is a summary of long-term obligation transactions for the Hospital for the year ended June 30, 2010:

	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2010</u>	<u>Current Maturities</u>
Capital lease obligation	\$ -	\$ 89,674	\$ 6,688	\$ 82,986	\$ 16,600
Other long-term liabilities					
Compensated Absences	<u>35,180</u>	<u>35,908</u>	<u>35,180</u>	<u>35,908</u>	<u>35,908</u>
Total Long-Term Debt	<u>\$ 35,180</u>	<u>\$ 125,582</u>	<u>\$ 41,868</u>	<u>\$ 118,894</u>	<u>\$ 52,508</u>

Capital Lease—During fiscal year 2010, the Hospital entered into a capital lease agreement for lab equipment. The present value at the beginning of the lease term of the minimum lease payments equals 90 percent of the fair market value, which qualifies it as a capital lease. Capital assets, acquired by lease, have been capitalized in the amount of \$89,674 and a capital lease obligation recorded. Accumulated depreciation on the equipment totaled \$6,405 at June 30, 2010.

The following schedule presents the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2010:

<u>Fiscal Year Ending June 30,</u>	<u>Total Debt Service</u>
2011	\$ 20,185
2012	20,184
2013	20,184
2014	20,184
2015	<u>11,774</u>
Total Minimum Lease Payments	92,511
Less: amount representing interest	<u>9,525</u>
Present value of future minimum lease payments	<u>\$ 82,986</u>

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 16. Guadalupe County Hospital (continued)

Hospital Note 7. Retirement Plan

The Hospital established 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 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. Employee and employer contributions to the plan for the year ended June 30, 2010, were \$37,258 and \$17,322, respectively. Employee and employer contributions to the plan for the year ended June 30, 2009, were \$37,730 and \$18,517, respectively.

Hospital Note 8. Commitments and Contingencies

Healthcare Regulatory Environment—The healthcare industry is subject to laws and regulations of federal, state and local governments. These laws and regulations include, but are not limited to, matters such as licensure, accreditation, 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. Under the Health Information Technology for Economic and Clinical Health (HITECH) Act, several of the HIPAA security and privacy requirements have been expanded, including business associates being subject to civil and criminal penalties and enforcement proceedings for violations of HIPAA. Management believes that the Hospital is in compliance with all applicable provisions of HIPAA and HITECH.

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 three preceding years.

Medical Malpractice Claims—The Hospital purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Accounting principles generally accepted in the United States of America require a healthcare provider to accrue the expense of its share of malpractice claim costs, if any, for any reported and unreported incidents of potential improper professional service occurring during the year by estimating the probable ultimate costs of the incidents. Based upon the Hospital’s claim experience, no such accrual has been made. It is reasonably possible that this estimate could change materially in the near term.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 16. Guadalupe County Hospital (continued)

Hospital Note 8. Commitments and Contingencies (continued)

Litigation—In the normal course of business, the Hospital is, from time to time, subject to allegations that may or do result in litigation. Some of these allegations are in areas not covered by the Hospital’s commercial insurance; for example, allegations regarding employment practices or performance of contracts. The Hospital evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of legal counsel, management records an estimate of the amount of ultimate expected loss, if any, for each. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Hospital’s future financial position or results of operations. However, events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

Operating Leases— The Hospital leases equipment under operating leases expiring in various years through 2015. Total rent expense for all operating leases for the year was approximately \$150,000. Future minimum lease payments for noncancelable operating leases with lease terms exceeding one year at June 30, 2010, are as follows:

2011	\$	106,585
2012		106,585
2013		106,585
2014		15,505
2015		<u>4,816</u>
Future Minimum Lease Payments	\$	<u>340,076</u>

Hospital Note 9. Mill Levy

The State of New Mexico adopted a law 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 \$434,453 and \$399,776 in 2010 and 2009, respectively, all of which were used to support operations. The current mill levy expires December 2016.

Hospital Note 10. Sole Community Provider

The Hospital, due to its isolated location and service to indigent patients, participates in a sole community provider indigent care program that is administered by the State of New Mexico. The program is funded by Guadalupe County which pays the County share amount to the State that is required to draw down federal monies. New Mexico’s federal and state shares are approximately 71% and 29%, respectively. The program consists of two components, the regular quarterly payments and a supplemental payment. The supplemental payments are based on service to indigent and Medicaid patients as well as consideration of the Hospital’s Medicaid contractual write-offs. Total revenues for this program in 2010 were \$3.5 million, net of \$819,000 of matching funds contributed to the County. Total revenues for this program in 2009 were \$2.7 million, net of \$1.1 million of matching funds contributed to the County.

Hospital Note 11. Related Party Transactions

The Hospital entered into the following related party transactions during the year ended June 30, 2010:

- 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 2010 and 2009 for these services was \$678,948 and \$674,460, respectively.
- The Hospital leases a Siemens Ultrasound machine from the Santa Rosa Medical Clinic (the “Clinic”). The Clinic’s medical director is also the Hospital’s Chief of Staff. The amount paid to the Clinic during fiscal year 2010 for the lease was \$8,410, or \$1,682 per month. The amount paid to the Clinic during fiscal year 2009 for the lease was \$4,080, or \$340 per month.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 16. Guadalupe County Hospital (continued)

Hospital Note 12. New Hospital Construction

A new hospital building is currently under construction. It is the Hospital's intent to move into the new building during the spring of 2011. The cost of the new building is estimated to be approximately \$11 million. Expenses incurred by the Hospital in relation to the construction in 2010 were approximately \$3.9 million. The building will belong to the County upon completion; therefore, the related asset resides on the County's financial statements, and all expenses incurred by the Hospital are recorded as a contribution expense in the year incurred. The remaining costs will be funded through a combination of loan proceeds from a County loan and cash reserves of the Hospital.

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

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SPECIAL REVENUE FUNDS

Environmental Gross Receipts Tax Fund – 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.

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).

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).

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.

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

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.

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.

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.

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.

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.

PDL Public Safety Building – To account for federal funds for a public safety building in Puerto de Luna. Funding is from a Community Development Block Grant from the Department of H.U.D. through the State Department of Finance and Administration.

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.

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SPECIAL REVENUE FUNDS

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 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

Windmill Pilot Fund – 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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	Environmental Gross Receipts 202	County Property Valuation Fund 203	EMS Fund 206	E-911 Enhanced Fund 207	Farm and Range Fund 208
ASSETS					
Current:					
Cash and temporary investments	\$ 204,182	\$ 33,094	\$ 1,853	\$ -	\$ -
Accounts receivable					
Property taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Other receivables	14,210	-	-	-	-
Interfund balances	-	-	-	-	-
Restricted:					
Cash and temporary investments	-	-	-	-	-
<i>Total current assets</i>	<u>\$ 218,392</u>	<u>\$ 33,094</u>	<u>\$ 1,853</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE					
<i>Current Liabilities:</i>					
Accounts payable	\$ 4,096	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	3,768	697	-	-	-
Interfund balances	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Deferred revenue - property taxes	-	-	-	-	-
<i>Total current liabilities</i>	<u>7,864</u>	<u>697</u>	<u>-</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	210,528	32,397	1,853	-	-
<i>Total fund balance</i>	<u>210,528</u>	<u>32,397</u>	<u>1,853</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 218,392</u>	<u>\$ 33,094</u>	<u>\$ 1,853</u>	<u>\$ -</u>	<u>\$ -</u>

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

Anton Chico Fire Fund 2091	Puerto del Luna Fire Fund 2092	Guadalupe County Fire Fund 2093	Law Enforcement Fund 2110	Recreation Fund 217	CDBG Public Safety Building Fund 2185	Rural Primary Health Care Act Fund 2186	PDL Public Safety Building Fund 2187
\$ 9,890	\$ 77,583	\$ 2,215	\$ 41	\$ 1,552	\$ 1	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	4,925	-	-	91,603	46,791
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 9,890</u>	<u>\$ 77,583</u>	<u>\$ 2,215</u>	<u>\$ 4,966</u>	<u>\$ 1,552</u>	<u>\$ 1</u>	<u>\$ 91,603</u>	<u>\$ 46,791</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,500	\$ -	\$ 3,677	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	4,500	-	3,677	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
9,890	77,583	2,215	4,966	(2,948)	1	87,926	46,791
9,890	77,583	2,215	4,966	(2,948)	1	87,926	46,791
<u>\$ 9,890</u>	<u>\$ 77,583</u>	<u>\$ 2,215</u>	<u>\$ 4,966</u>	<u>\$ 1,552</u>	<u>\$ 1</u>	<u>\$ 91,603</u>	<u>\$ 46,791</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, 2010

		La Loma	Puerto del Luna	
	Senior	Senior	Senior	DWI
	Citizen	Center	Center	Grant
	Fund	Fund	Fund	Fund
	2190	2191	2192	2231
ASSETS				
Current:				
Cash and temporary investments	\$ 24,976	\$ -	\$ -	\$ -
Accounts receivable				
Property taxes	-	-	-	-
Intergovernmental	22,485	-	-	10,837
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
Restricted:				
Cash and temporary investments	-	-	-	-
<i>Total current assets</i>	\$ 47,461	\$ -	\$ -	\$ 10,837
 LIABILITIES AND FUND BALANCE				
<i>Current Liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	4,346	-	-	-
Due to other funds	-	131	-	9,286
Deferred revenue	-	-	-	-
Deferred revenue - property taxes	-	-	-	-
<i>Total current liabilities</i>	4,346	131	-	9,286
 <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	43,115	(131)	-	1,551
<i>Total fund balance</i>	43,115	(131)	-	1,551
<i>Total liabilities and fund balance</i>	\$ 47,461	\$ -	\$ -	\$ 10,837

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

DWI Distribution Fund 2232	DWI Screening Fund 2233	DWI Donation Fund 2234	Recording and Filing Fund 225	Emergency Management Fund 2991	Homeland Security Fund 2992	Windmill Program 2993	Total
\$ 2,674	\$ 3,275	\$ 315	\$ 24,418	\$ 20,002	\$ -	\$ 225,442	\$ 631,513
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	176,641
-	-	-	-	-	-	-	14,210
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 2,674</u>	<u>\$ 3,275</u>	<u>\$ 315</u>	<u>\$ 24,418</u>	<u>\$ 20,002</u>	<u>\$ -</u>	<u>\$ 225,442</u>	<u>\$ 822,364</u>
\$ 2,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,927
-	-	-	-	-	-	-	8,811
-	-	-	-	-	13,423	-	22,840
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,423</u>	<u>-</u>	<u>46,578</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>20</u>	<u>3,275</u>	<u>315</u>	<u>24,418</u>	<u>20,002</u>	<u>(13,423)</u>	<u>225,442</u>	<u>775,786</u>
<u>20</u>	<u>3,275</u>	<u>315</u>	<u>24,418</u>	<u>20,002</u>	<u>(13,423)</u>	<u>225,442</u>	<u>775,786</u>
<u>\$ 2,674</u>	<u>\$ 3,275</u>	<u>\$ 315</u>	<u>\$ 24,418</u>	<u>\$ 20,002</u>	<u>\$ -</u>	<u>\$ 225,442</u>	<u>\$ 822,364</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, 2010

	Environmental Gross Receipts Fund 202	County Property Valuation Fund 203	EMS Fund 206	E-911 Enhanced Fund 207	Farm and Range Fund 208
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	33,753	-	-	-	-
Other taxes	-	-	-	-	-
State grants	345	-	5,277	97,308	-
Federal grants	-	-	-	-	8,101
Licenses and fees	-	33,003	-	-	-
Charges for services	86,381	840	-	-	-
Investment income	-	189	83	-	81
Miscellaneous	-	-	-	-	-
<i>Total revenues</i>	<u>120,479</u>	<u>34,032</u>	<u>5,360</u>	<u>97,308</u>	<u>8,182</u>
<i>Expenditures:</i>					
Current					
General Government	-	55,949	-	-	-
Public safety	-	-	5,429	101,792	-
Culture and recreation	-	-	-	-	32,001
Health and welfare	-	-	-	-	-
Public works	197,252	-	-	-	-
Capital outlay	-	-	13,526	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>197,252</u>	<u>55,949</u>	<u>18,955</u>	<u>101,792</u>	<u>32,001</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(76,773)</u>	<u>(21,917)</u>	<u>(13,595)</u>	<u>(4,484)</u>	<u>(23,819)</u>
<i>Other financing sources (uses):</i>					
Proceeds from note payable	-	-	-	-	-
Operating transfers in (out)	80,977	(588)	-	-	23,284
<i>Total other financing sources (uses)</i>	<u>80,977</u>	<u>(588)</u>	<u>-</u>	<u>-</u>	<u>23,284</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	4,204	(22,505)	(13,595)	(4,484)	(535)
<i>Fund balances - beginning of year</i>	<u>206,324</u>	<u>54,902</u>	<u>15,448</u>	<u>4,484</u>	<u>535</u>
<i>Fund balances - end of year</i>	<u>\$ 210,528</u>	<u>\$ 32,397</u>	<u>\$ 1,853</u>	<u>\$ -</u>	<u>\$ -</u>

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

Anton Chico Fire Fund 2091	Puerto del Luna Fire Fund 2092	Guadalupe County Fire Fund 2093	Law Enforcement Fund 2110	Recreation Fund 217	CDBG Public Safety Building Fund 2185	Rural Primary Health Care Act Fund 2186	PDL Public Safety Building Fund 2187
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	44	-	-	-
51,729	55,216	-	26,125	2,500	-	235,603	46,791
-	-	-	-	-	-	-	26,290
-	-	-	-	-	-	-	-
208	389	34	96	19	-	-	-
-	-	-	-	-	-	-	-
<u>51,937</u>	<u>55,605</u>	<u>34</u>	<u>26,221</u>	<u>2,563</u>	<u>-</u>	<u>235,603</u>	<u>73,081</u>
-	-	-	-	-	-	-	-
52,083	38,566	-	28,272	-	-	-	26,290
-	-	-	-	12,961	-	-	-
-	-	-	-	-	-	148,010	-
-	-	-	-	-	-	-	-
5,426	2,879	-	58,950	-	-	-	-
6,022	12,020	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>63,531</u>	<u>53,465</u>	<u>-</u>	<u>87,222</u>	<u>12,961</u>	<u>-</u>	<u>148,010</u>	<u>26,290</u>
(11,594)	2,140	34	(61,001)	(10,398)	-	87,593	46,791
-	-	-	58,950	-	-	-	-
-	-	-	-	11,834	-	-	-
-	-	-	58,950	11,834	-	-	-
(11,594)	2,140	34	(2,051)	1,436	-	87,593	46,791
21,484	75,443	2,181	7,017	(4,384)	1	333	-
<u>\$ 9,890</u>	<u>\$ 77,583</u>	<u>\$ 2,215</u>	<u>\$ 4,966</u>	<u>\$ (2,948)</u>	<u>\$ 1</u>	<u>\$ 87,926</u>	<u>\$ 46,791</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, 2010

	Senior Citizen Fund 2190	La Loma Senior Center Fund 2191	Puerto del Luna Senior Center Fund 2192	DWI Grant Fund 2231
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	117,862	-	1	60,472
Federal grants	37,093	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	20,391	250	-	-
<i>Total revenues</i>	<u>175,346</u>	<u>250</u>	<u>1</u>	<u>60,472</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	48,208
Culture and recreation	-	-	-	-
Health and welfare	215,291	68	-	-
Public works	-	-	-	-
Capital outlay	-	251	-	2,439
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>215,291</u>	<u>319</u>	<u>-</u>	<u>50,647</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(39,945)</u>	<u>(69)</u>	<u>1</u>	<u>9,825</u>
<i>Other financing sources (uses):</i>				
Proceeds from note payable	-	-	-	-
Operating transfers in (out)	83,553	-	-	-
<i>Total other financing sources (uses)</i>	<u>83,553</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	43,608	(69)	1	9,825
<i>Fund balances - beginning of year</i>	<u>(493)</u>	<u>(62)</u>	<u>(1)</u>	<u>(8,274)</u>
<i>Fund balances - end of year</i>	<u>\$ 43,115</u>	<u>\$ (131)</u>	<u>\$ -</u>	<u>\$ 1,551</u>

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

DWI Distribution Fund 2232	DWI Screening Fund 2233	DWI Donation Fund 2234	Recording and Filing Fund 225	Emergency Management Fund 2991	Homeland Security Fund 2992	Windmill Fund 2993	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	33,753
-	-	-	-	-	-	-	44
56,185	-	-	-	6,102	-	-	761,516
-	-	-	-	-	52,131	-	123,615
-	-	-	5,496	-	-	-	38,499
-	5,700	-	-	-	-	-	92,921
-	-	-	-	-	-	802	1,901
-	-	315	-	-	-	136,568	157,524
<u>56,185</u>	<u>5,700</u>	<u>315</u>	<u>5,496</u>	<u>6,102</u>	<u>52,131</u>	<u>137,370</u>	<u>1,209,773</u>
-	-	-	4,072	-	-	-	60,021
62,567	3,210	248	-	260	-	-	366,925
-	-	-	-	-	-	-	44,962
-	-	-	-	-	-	-	363,369
-	-	-	-	-	-	-	197,252
-	-	-	-	-	65,544	-	149,015
-	-	-	-	-	-	-	18,042
-	-	-	-	-	-	-	-
<u>62,567</u>	<u>3,210</u>	<u>248</u>	<u>4,072</u>	<u>260</u>	<u>65,544</u>	<u>-</u>	<u>1,199,586</u>
(6,382)	2,490	67	1,424	5,842	(13,413)	137,370	10,187
-	-	-	-	-	-	-	58,950
(64)	13	-	-	(35,900)	-	(327,785)	(164,676)
(64)	13	-	-	(35,900)	-	(327,785)	(105,726)
(6,446)	2,503	67	1,424	(30,058)	(13,413)	(190,415)	(95,539)
<u>6,466</u>	<u>772</u>	<u>248</u>	<u>22,994</u>	<u>50,060</u>	<u>(10)</u>	<u>415,857</u>	<u>871,325</u>
<u>\$ 20</u>	<u>\$ 3,275</u>	<u>\$ 315</u>	<u>\$ 24,418</u>	<u>\$ 20,002</u>	<u>\$ (13,423)</u>	<u>\$ 225,442</u>	<u>\$ 775,786</u>

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-3

ENVIRONMENTAL GROSS RECEIPTS TAX - 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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 40,000	\$ 40,000	\$ 19,543	\$ (20,457)
Intergovernmental	-	345	345	-
Licenses and fees	-	-	-	-
Charges for services	86,350	86,350	86,381	31
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	126,350	126,695	106,269	(20,426)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	191,942	208,264	193,868	14,396
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	191,942	208,264	193,868	14,396
<i>Excess (deficiency) of revenues over expenditures</i>	(65,592)	(81,569)	(87,599)	(6,030)
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	80,977	80,977
Bond proceeds	-	-	-	-
Designated cash	65,592	81,569	-	(81,569)
<i>Total other financing sources (uses)</i>	65,592	81,569	80,977	(592)
<i>Net change in fund balances</i>	-	-	(6,622)	(6,622)
<i>Fund balances - beginning of year</i>	-	-	210,804	210,804
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 204,182	\$ 204,182
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			14,210	
Expenditure accruals			(3,384)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 4,204	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-4

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	25,000	25,000	33,003	8,003
Charges for services	300	300	840	540
Investment income	500	500	189	(311)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	25,800	25,800	34,032	8,232
<i>Expenditures:</i>				
Current				
General Government	86,010	86,010	62,429	23,581
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	86,010	86,010	62,429	23,581
<i>Excess (deficiency) of revenues over expenditures</i>	(60,210)	(60,210)	(28,397)	31,813
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	(588)	(588)
Bond proceeds	-	-	-	-
Designated cash	60,210	60,210	-	(60,210)
<i>Total other financing sources (uses)</i>	60,210	60,210	(588)	(60,798)
<i>Net change in fund balances</i>	-	-	(28,985)	(28,985)
<i>Fund balances - beginning of year</i>	-	-	62,079	62,079
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 33,094	\$ 33,094
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			6,480	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (22,505)	

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

STATE OF NEW MEXICO

Statement B-5

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,195	5,195	5,277	82
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	10	10	83	73
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,205</u>	<u>5,205</u>	<u>5,360</u>	<u>155</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	10,000	7,125	5,429	1,696
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	10,652	13,527	13,526	1
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>20,652</u>	<u>20,652</u>	<u>18,955</u>	<u>1,697</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(15,447)</u>	<u>(15,447)</u>	<u>(13,595)</u>	<u>1,852</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	15,447	15,447	-	(15,447)
<i>Total other financing sources (uses)</i>	<u>15,447</u>	<u>15,447</u>	<u>-</u>	<u>(15,447)</u>
<i>Net change in fund balances</i>	-	-	(13,595)	(13,595)
<i>Fund balances - beginning of year</i>	-	-	15,448	15,448
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,853</u>	<u>\$ 1,853</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>\$ (13,595)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-6

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	544,631	555,579	101,792	(453,787)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>544,631</u>	<u>555,579</u>	<u>101,792</u>	<u>(453,787)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	544,631	555,579	101,792	453,787
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>544,631</u>	<u>555,579</u>	<u>101,792</u>	<u>453,787</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(4,484)	
Expenditure accruals			<u>-</u>	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			<u>\$ (4,484)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-7

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	8,587	8,587	8,101	(486)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	200	200	81	(119)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	8,787	8,787	8,182	(605)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	32,000	32,000	32,001	(1)
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	32,000	32,000	32,001	(1)
<i>Excess (deficiency) of revenues over expenditures</i>	(23,213)	(23,213)	(23,819)	(606)
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	23,284	23,284
Bond proceeds	-	-	-	-
Designated cash	23,213	23,213	-	(23,213)
<i>Total other financing sources (uses)</i>	23,213	23,213	23,284	71
<i>Net change in fund balances</i>	-	-	(535)	(535)
<i>Fund balances - beginning of year</i>	-	-	535	535
<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>			\$ (535)	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-8

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	51,636	51,636	51,729	93
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,000	1,000	208	(792)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>52,636</u>	<u>52,636</u>	<u>51,937</u>	<u>(699)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	50,172	62,172	52,083	10,089
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	17,926	5,926	5,426	500
Debt service				
Principal	6,022	6,022	6,022	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>74,120</u>	<u>74,120</u>	<u>63,531</u>	<u>10,589</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(21,484)</u>	<u>(21,484)</u>	<u>(11,594)</u>	<u>9,890</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	21,484	21,484	-	(21,484)
<i>Total other financing sources (uses)</i>	<u>21,484</u>	<u>21,484</u>	<u>-</u>	<u>(21,484)</u>
<i>Net change in fund balances</i>	-	-	(11,594)	(11,594)
<i>Fund balances - beginning of year</i>	-	-	21,484	21,484
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,890</u>	<u>\$ 9,890</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>\$ (11,594)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-9

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	51,636	58,425	58,425	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	1,000	1,000	389	(611)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>52,636</u>	<u>59,425</u>	<u>58,814</u>	<u>(611)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	62,850	69,639	38,566	31,073
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	50,000	50,000	2,879	47,121
Debt service				
Principal	12,020	12,020	12,020	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>124,870</u>	<u>131,659</u>	<u>53,465</u>	<u>78,194</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(72,234)</u>	<u>(72,234)</u>	<u>5,349</u>	<u>77,583</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	72,234	72,234	-	(72,234)
<i>Total other financing sources (uses)</i>	<u>72,234</u>	<u>72,234</u>	<u>-</u>	<u>(72,234)</u>
<i>Net change in fund balances</i>	-	-	5,349	5,349
<i>Fund balances - beginning of year</i>	-	-	72,234	72,234
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,583</u>	<u>\$ 77,583</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>\$ 2,140</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-10

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, 2010

	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	-	-	34	34
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	34	34
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	2,180	2,180	-	2,180
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	2,180	2,180	-	2,180
<i>Excess (deficiency) of revenues over expenditures</i>	(2,180)	(2,180)	34	2,214
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	2,180	2,180	-	(2,180)
<i>Total other financing sources (uses)</i>	2,180	2,180	-	(2,180)
<i>Net change in fund balances</i>	-	-	34	34
<i>Fund balances - beginning of year</i>	-	-	2,181	2,181
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,215	\$ 2,215
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 34	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-11

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	21,200	21,200	21,200	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	100	100	96	(4)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>21,300</u>	<u>21,300</u>	<u>21,296</u>	<u>(4)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	28,316	28,316	28,272	44
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	60,000	58,950	1,050
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>28,316</u>	<u>88,316</u>	<u>87,222</u>	<u>1,094</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,016)</u>	<u>(67,016)</u>	<u>(65,926)</u>	<u>1,090</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	60,000	58,950	(1,050)
Designated cash	7,016	7,016	-	(7,016)
<i>Total other financing sources (uses)</i>	<u>7,016</u>	<u>67,016</u>	<u>58,950</u>	<u>(8,066)</u>
<i>Net change in fund balances</i>	-	-	(6,976)	(6,976)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>7,017</u>	<u>7,017</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41</u>	<u>\$ 41</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			4,925	
Expenditure accruals			<u>-</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (2,051)</u>	

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

STATE OF NEW MEXICO

Statement B-12

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 50	\$ 50	\$ 44	\$ (6)
Intergovernmental	2,500	2,500	2,500	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	19	19
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,550</u>	<u>2,550</u>	<u>2,563</u>	<u>13</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	14,500	14,500	12,961	1,539
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>14,500</u>	<u>14,500</u>	<u>12,961</u>	<u>1,539</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,950)</u>	<u>(11,950)</u>	<u>(10,398)</u>	<u>1,552</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	11,834	11,834
Bond proceeds	-	-	-	-
Designated cash	11,950	11,950	-	(11,950)
<i>Total other financing sources (uses)</i>	<u>11,950</u>	<u>11,950</u>	<u>11,834</u>	<u>(116)</u>
<i>Net change in fund balances</i>	-	-	1,436	1,436
<i>Fund balances - beginning of year</i>	-	-	116	116
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,552</u>	<u>\$ 1,552</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1,436</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-13

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, 2010

	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	-	-	-	-
<i>Total revenues</i>	-	-	-	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	-	-	-
<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>	-	-	1	1
<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>			\$ -	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-14

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, 2010

	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			79,603	
Expenditure accruals			7,990	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ 87,593	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-15

PDL 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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	450,000	450,000	26,290	(423,710)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>450,000</u>	<u>450,000</u>	<u>26,290</u>	<u>(423,710)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	43,665	43,665	26,290	17,375
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	406,335	406,335	-	406,335
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>450,000</u>	<u>450,000</u>	<u>26,290</u>	<u>423,710</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			46,791	
Expenditure accruals			<u>-</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 46,791</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-16

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	163,183	185,573	150,658	(34,915)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	15,000	15,000	20,391	5,391
<i>Total revenues</i>	<u>178,183</u>	<u>200,573</u>	<u>171,049</u>	<u>(29,524)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	209,770	235,713	216,695	19,018
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>209,770</u>	<u>235,713</u>	<u>216,695</u>	<u>19,018</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(31,587)</u>	<u>(35,140)</u>	<u>(45,646)</u>	<u>(10,506)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	83,553	83,553
Bond proceeds	-	-	-	-
Designated cash	31,587	35,140	-	(35,140)
<i>Total other financing sources (uses)</i>	<u>31,587</u>	<u>35,140</u>	<u>83,553</u>	<u>48,413</u>
<i>Net change in fund balances</i>	-	-	37,907	37,907
<i>Fund balances - beginning of year</i>	-	-	(12,931)	(12,931)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,976</u>	<u>\$ 24,976</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			4,297	
Expenditure accruals			<u>1,404</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 43,608</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-17

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	105,848	105,848	-	(105,848)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	250	250	-
<i>Total revenues</i>	105,848	106,098	250	(105,848)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	12,722	12,722	68	12,654
Public works	-	-	-	-
Capital outlay	93,064	93,314	251	93,063
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	105,786	106,036	319	105,717
<i>Excess (deficiency) of revenues over expenditures</i>	62	62	(69)	(131)
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	(62)	(62)	-	62
<i>Total other financing sources (uses)</i>	(62)	(62)	-	62
<i>Net change in fund balances</i>	-	-	(69)	(69)
<i>Fund balances - beginning of year</i>	-	-	(62)	(62)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (131)	\$ (131)
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (69)	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-18

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	44,585	44,585	1	(44,584)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	44,585	44,585	1	(44,584)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	25,647	25,647	-	25,647
Public works	-	-	-	-
Capital outlay	18,938	18,938	-	18,938
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	44,585	44,585	-	44,585
<i>Excess (deficiency) of revenues over expenditures</i>				
	-	-	1	1
<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>				
	-	-	1	1
<i>Fund balances - beginning of year</i>				
	-	-	(1)	(1)
<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>			\$ 1	

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

STATE OF NEW MEXICO

Statement B-19

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	57,727	59,466	49,635	(9,831)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>57,727</u>	<u>59,466</u>	<u>49,635</u>	<u>(9,831)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	49,500	51,292	49,758	1,534
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	2,500	2,447	2,439	8
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>52,000</u>	<u>53,739</u>	<u>52,197</u>	<u>1,542</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,727</u>	<u>5,727</u>	<u>(2,562)</u>	<u>(8,289)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	(5,727)	(5,727)	-	5,727
<i>Total other financing sources (uses)</i>	<u>(5,727)</u>	<u>(5,727)</u>	<u>-</u>	<u>5,727</u>
<i>Net change in fund balances</i>	-	-	(2,562)	(2,562)
<i>Fund balances - beginning of year</i>	-	-	(6,724)	(6,724)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,286)</u>	<u>\$ (9,286)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			10,837	
Expenditure accruals			<u>1,550</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 9,825</u>	

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

STATE OF NEW MEXICO

Statement B-20

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	61,000	61,000	63,462	2,462
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>61,000</u>	<u>61,000</u>	<u>63,462</u>	<u>2,462</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	62,398	62,398	62,187	211
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>62,398</u>	<u>62,398</u>	<u>62,187</u>	<u>211</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,398)</u>	<u>(1,398)</u>	<u>1,275</u>	<u>2,673</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	(64)	(64)
Bond proceeds	-	-	-	-
Designated cash	1,398	1,398	-	(1,398)
<i>Total other financing sources (uses)</i>	<u>1,398</u>	<u>1,398</u>	<u>(64)</u>	<u>(1,462)</u>
<i>Net change in fund balances</i>	-	-	1,211	1,211
<i>Fund balances - beginning of year</i>	-	-	1,463	1,463
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,674</u>	<u>\$ 2,674</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(7,277)	
Expenditure accruals			(380)	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			<u>\$ (6,446)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-21

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	2,250	4,750	5,700	950
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	2,250	4,750	5,700	950
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	3,085	5,585	3,210	2,375
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	3,085	5,585	3,210	2,375
<i>Excess (deficiency) of revenues over expenditures</i>	(835)	(835)	2,490	3,325
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	(835)	835	13	(822)
Bond proceeds	-	-	-	-
Designated cash	1,670	-	-	-
<i>Total other financing sources (uses)</i>	835	835	13	(822)
<i>Net change in fund balances</i>	-	-	2,503	2,503
<i>Fund balances - beginning of year</i>	-	-	772	772
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 3,275	\$ 3,275
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 2,503	

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

STATE OF NEW MEXICO

Statement B-22

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, 2010

	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	100	100	315	215
<i>Total revenues</i>	<u>100</u>	<u>100</u>	<u>315</u>	<u>215</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	348	348	248	100
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>348</u>	<u>348</u>	<u>248</u>	<u>100</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(248)</u>	<u>(248)</u>	<u>67</u>	<u>315</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	248	248	-	(248)
<i>Total other financing sources (uses)</i>	<u>248</u>	<u>248</u>	<u>-</u>	<u>(248)</u>
<i>Net change in fund balances</i>	-	-	67	67
<i>Fund balances - beginning of year</i>	-	-	248	248
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315</u>	<u>\$ 315</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>\$ 67</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-23

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	8,000	8,000	5,496	(2,504)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>8,000</u>	<u>8,000</u>	<u>5,496</u>	<u>(2,504)</u>
<i>Expenditures:</i>				
Current				
General Government	5,000	8,500	4,072	4,428
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	25,250	21,750	-	21,750
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>30,250</u>	<u>30,250</u>	<u>4,072</u>	<u>26,178</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(22,250)</u>	<u>(22,250)</u>	<u>1,424</u>	<u>23,674</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	-	-
Bond proceeds	-	-	-	-
Designated cash	22,250	22,250	-	(22,250)
<i>Total other financing sources (uses)</i>	<u>22,250</u>	<u>22,250</u>	<u>-</u>	<u>(22,250)</u>
<i>Net change in fund balances</i>	-	-	1,424	1,424
<i>Fund balances - beginning of year</i>	-	-	22,994	22,994
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,418</u>	<u>\$ 24,418</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			<u>\$ 1,424</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-24

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	0	0	6,102	6,102
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	-	6,102	6,102
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	50,060	50,060	260	49,800
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	50,060	50,060	260	49,800
<i>Excess (deficiency) of revenues over expenditures</i>	(50,060)	(50,060)	5,842	55,902
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	(35,900)	(35,900)
Bond proceeds	-	-	-	-
Designated cash	50,060	50,060	-	(50,060)
<i>Total other financing sources (uses)</i>	50,060	50,060	(35,900)	(85,960)
<i>Net change in fund balances</i>	-	-	(30,058)	(30,058)
<i>Fund balances - beginning of year</i>	-	-	50,060	50,060
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 20,002	\$ 20,002
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (30,058)	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-25

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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	62,922	76,922	52,131	(24,791)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	62,922	76,922	52,131	(24,791)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	62,922	76,922	65,544	11,378
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	62,922	76,922	65,544	11,378
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(13,413)	(13,413)
<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>	-	-	(13,413)	(13,413)
<i>Fund balances - beginning of year</i>	-	-	(10)	(10)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (13,423)	\$ (13,423)
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (13,413)	

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

STATE OF NEW MEXICO

Statement B-26

GUADALUPE COUNTY

WINDMILL - 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, 2010

	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	802	(1,198)
Miscellaneous	136,568	136,568	136,568	-
<i>Total revenues</i>	<u>138,568</u>	<u>138,568</u>	<u>137,370</u>	<u>(1,198)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	61,639	61,639	-	61,639
Capital outlay	200,000	200,000	-	200,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>261,639</u>	<u>261,639</u>	<u>-</u>	<u>261,639</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(123,071)</u>	<u>(123,071)</u>	<u>137,370</u>	<u>260,441</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	(327,785)	(327,785)
Bond proceeds	-	-	-	-
Designated cash	123,071	123,071	-	(123,071)
<i>Total other financing sources (uses)</i>	<u>123,071</u>	<u>123,071</u>	<u>(327,785)</u>	<u>(450,856)</u>
<i>Net change in fund balances</i>	-	-	(190,415)	(190,415)
<i>Fund balances - beginning of year</i>	-	-	415,857	415,857
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,442</u>	<u>\$ 225,442</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>\$ (190,415)</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, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 175,000	\$ 175,000	164,157	\$ (10,843)
Intergovernmental	1,321,028	4,096,328	1,484,283	(2,612,045)
Licenses and fees	-	-	-	-
Charges for services	220,000	220,000	218,583	(1,417)
Investment income	-	-	-	-
Miscellaneous	-	13,000,000	4,138,728	(8,861,272)
<i>Total revenues</i>	<u>1,716,028</u>	<u>17,491,328</u>	<u>6,005,751</u>	<u>(11,485,577)</u>
<i>Expenditures:</i>				
<i>Current</i>				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	618,093	918,420	300,995	617,425
Capital outlay	1,497,515	16,990,776	5,602,499	11,388,277
Debt service				
Principal	121,516	121,516	122,523	(1,007)
Interest	33,310	33,310	32,368	942
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,270,434</u>	<u>18,064,022</u>	<u>6,058,385</u>	<u>12,005,637</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(554,406)</u>	<u>(572,694)</u>	<u>(52,634)</u>	<u>520,060</u>
<i>Other financing sources (uses):</i>				
Operating transfers in (out)	-	-	107,000	107,000
Bond proceeds	-	-	-	-
Designated cash	554,406	572,694	-	(572,694)
<i>Total other financing sources (uses)</i>	<u>554,406</u>	<u>572,694</u>	<u>107,000</u>	<u>(465,694)</u>
<i>Net change in fund balances</i>	-	-	54,366	54,366
<i>Fund balances - beginning of year</i>	-	-	402,123	402,123
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 456,489</u>	<u>\$ 456,489</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			224,639	
Adjustments to expenditures (liabilities)			(3,470)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 275,535</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, 2010

Statement E-1

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
ASSETS				
Property taxes receivable	\$ 338,946	\$ 1,704,870	\$ 1,640,576	403,240
<i>Total assets</i>	<u>\$ 338,946</u>	<u>\$ 1,704,870</u>	<u>\$ 1,640,576</u>	<u>\$ 403,240</u>
LIABILITIES				
Due to other taxing units	\$ 338,946	\$ 1,704,870	\$ 1,640,576	\$ 403,240
<i>Total liabilities</i>	<u>\$ 338,946</u>	<u>\$ 1,704,870</u>	<u>\$ 1,640,576</u>	<u>\$ 403,240</u>

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

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SUPPORTING SCHEDULES

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STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2010

Schedule I

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2010	Name and Location of Safekeeper
Wells Fargo Bank	FNMA Pool #867437 Due 5/1/2036 Cusip 31409CV69 6.00%	\$ 941,678	Wells Fargo Bank, N.A. WF Northwest
Wells Fargo Bank	FNMA Pool #870843 Due 10/1/2036 Cusip 31409GP42 6.00%	\$ 295,026	Wells Fargo Bank, N.A. WF Northwest
Wells Fargo Bank	FNMA Pool #988028 Due 8/1/2038 Cusip 31415SSR4 5.50%	\$ 1,069,816	Wells Fargo Bank, N.A. WF Northwest
Wells Fargo Bank	FNMA Pool #AA0863 Due 1/1/2039 Cusip 31416H5Z4 5.00%	\$ 481,772	Wells Fargo Bank, N.A. WF Northwest
Total Pledged Collateral		<u>2,788,292</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, 2010

Schedule II

<u>Bank Account Type/Name</u>	<u>Wells Fargo Bank</u>	<u>Community 1st Bank of Las Vegas</u>	<u>First National Bank of New Mexico</u>	<u>Bank of New York Mellon</u>	<u>NM State Treasurer</u>	<u>Totals</u>
Checking - Operational Accounts	\$ 1,142,409	\$ 260,917	\$ 142,690	\$ -	\$ -	\$ 1,546,016
Checking - Deferred Comp Account	388	-	-	-	-	388
Checking - PBL Public Safety Bldg.	6,298	-	-	-	-	6,298
Trust - Courthouse Reserve	-	-	-	31,029	-	31,029
Trust - Guadalupe County PG Reserv	-	-	-	59,621	-	59,621
Trust - Road/Solidwaste Reserve	-	-	-	44,521	-	44,521
Certificates of Deposit	714,180	100,000	-	-	-	814,180
State Treasurer Investments	-	-	-	-	386	386
Total On Deposit	1,863,275	360,917	142,690	135,171	386	2,502,439
Reconciling Items	(74,440)	-	-	-	-	(74,440)
Reconciled Balance June 30, 2010	<u>\$ 1,788,835</u>	<u>\$ 360,917</u>	<u>\$ 142,690</u>	<u>\$ 135,171</u>	<u>\$ 386</u>	<u>\$ 2,427,999</u>
Petty Cash						<u>445</u>
Combined Balance Sheet Total June 30, 2010						<u><u>\$ 2,428,444</u></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, 2010

Property taxes receivable, beginning of year	\$ 625,791
Changes to Tax Roll:	
Net taxes charged to treasurer for fiscal year	3,337,802
Adjustments:	
Increases in taxes receivables	(4,010)
Charge off of taxes receivables	<u>(14,876)</u>
 Total receivables prior to collections	 3,944,707
 Collections for fiscal year ended June 30, 2010	 <u>(3,203,999)</u>
 Property taxes receivable, end of year	 <u>\$ 740,708</u>
Property taxes receivable by years:	
2000	\$ 4,967
2001	20,348
2002	26,907
2003	9,639
2004	72,490
2005	69,578
2006	24,443
2007	93,644
2008	129,816
2009	<u>288,876</u>
 Total taxes receivable	 <u>\$ 740,708</u>

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

	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 2000	849,830	276	846,683	276	846,683	-	-	-	3,147
Guadalupe County 2001	906,195	185	899,784	185	899,784	-	-	-	6,411
Guadalupe County 2002	911,555	175	906,980	175	906,980	-	-	-	4,575
Guadalupe County 2003	923,613	208	920,674	208	920,674	-	-	-	2,939
Guadalupe County 2004	1,009,603	260	988,617	260	988,617	-	-	-	20,986
Guadalupe County 2005	1,050,858	845	1,028,953	845	1,028,953	-	-	-	21,905
Guadalupe County 2006	983,467	3,083	976,734	3,083	976,734	-	-	-	6,733
Guadalupe County 2007	1,051,951	6,216	1,021,059	6,216	1,021,059	-	-	-	30,892
Guadalupe County 2008	1,064,314	40,978	1,017,263	40,978	1,017,263	-	-	-	47,051
Guadalupe County 2009	1,175,227	1,081,994	1,081,994	1,081,994	1,081,994	-	-	-	93,233
Total Guadalupe County	<u>9,926,613</u>	<u>1,134,220</u>	<u>9,688,741</u>	<u>1,134,220</u>	<u>9,688,741</u>	-	-	-	<u>237,872</u>
Administrative fees 2000	373	-	330	-	330	-	-	-	43
Administrative fees 2001	233	-	229	-	229	-	-	-	4
Administrative fees 2002	350	-	350	-	350	-	-	-	-
Administrative fees 2003	237	-	242	-	242	-	-	-	(5)
Administrative fees 2004	1,015	-	908	-	908	-	-	-	107
Administrative fees 2005	263	-	269	-	269	-	-	-	(6)
Administrative fees 2006	263	-	258	-	258	-	-	-	5
Administrative fees 2007	288	3	279	3	279	-	-	-	9
Administrative fees 2008	301	9	278	9	278	-	-	-	23
Administrative fees 2009	269	230	231	230	231	-	-	-	38
Total administrative fees	<u>3,592</u>	<u>242</u>	<u>3,374</u>	<u>242</u>	<u>3,374</u>	-	-	-	<u>218</u>
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	350	-	327	-	327	-	-	-	23
Omitted assessments fee 2008	645	323	636	-	636	-	-	-	9
Omitted assessments fee 2009	2,051	647	647	647	647	-	-	-	1,404
Total omitted assessments fee	<u>3,236</u>	<u>970</u>	<u>1,645</u>	<u>647</u>	<u>1,645</u>	-	-	-	<u>1,591</u>

Guadalupe County Hospital 2000	320,311	130	319,218	18	319,218	-	-	-	1,093
Guadalupe County Hospital 2001	357,009	105	354,374	105	354,374	-	-	-	2,635
Guadalupe County Hospital 2002	360,820	98	356,520	98	356,520	-	-	-	4,300
Guadalupe County Hospital 2003	363,362	114	362,044	114	362,044	-	-	-	1,318
Guadalupe County Hospital 2004	395,792	143	387,756	143	387,756	-	-	-	8,036
Guadalupe County Hospital 2005	412,145	465	403,902	465	403,902	-	-	-	8,243
Guadalupe County Hospital 2006	386,745	1,533	383,722	1,533	383,722	-	-	-	3,023
Guadalupe County Hospital 2007	411,873	3,086	399,351	3,086	399,351	-	-	-	12,522
Guadalupe County Hospital 2008	412,793	17,322	394,104	17,322	394,104	-	-	-	18,689
Guadalupe County Hospital 2009	<u>455,385</u>	<u>417,457</u>	<u>417,457</u>	<u>417,457</u>	<u>417,457</u>	-	-	-	<u>37,928</u>
Total Guadalupe County Hospital	<u>3,876,235</u>	<u>440,453</u>	<u>3,778,448</u>	<u>440,341</u>	<u>3,778,448</u>	-	-	-	<u>97,787</u>
Total Guadalupe County	<u>13,809,676</u>	<u>1,575,885</u>	<u>13,472,208</u>	<u>1,575,450</u>	<u>13,472,208</u>	-	-	-	<u>337,468</u>

State of New Mexico

New Mexico State Treasurers 2000	161,971	56	159,750	56	159,750	-	-	-	2,221
New Mexico State Treasurers 2001	182,584	44	180,611	44	180,611	-	-	-	1,973
New Mexico State Treasurers 2002	132,790	26	126,131	26	126,131	-	-	-	6,659
New Mexico State Treasurers 2003	164,727	43	164,008	43	164,008	-	-	-	719
New Mexico State Treasurers 2004	127,807	35	124,488	35	124,488	-	-	-	3,319
New Mexico State Treasurers 2005	162,228	140	158,830	140	158,830	-	-	-	3,398
New Mexico State Treasurers 2006	159,570	515	156,792	515	156,792	-	-	-	2,778
New Mexico State Treasurers 2007	167,113	938	160,151	938	160,151	-	-	-	6,962
New Mexico State Treasurers 2008	158,496	7,190	150,867	7,190	150,867	-	-	-	7,629
New Mexico State Treasurers 2009	<u>159,369</u>	<u>145,901</u>	<u>145,901</u>	<u>145,901</u>	<u>145,901</u>	-	-	-	<u>13,468</u>
Total New Mexico State Treasurers	<u>1,576,655</u>	<u>154,888</u>	<u>1,527,529</u>	<u>154,888</u>	<u>1,527,529</u>	-	-	-	<u>49,126</u>
Total State of New Mexico	<u>1,576,655</u>	<u>154,888</u>	<u>1,527,529</u>	<u>154,888</u>	<u>1,527,529</u>	-	-	-	<u>49,126</u>

Municipalities

Municipality of Santa Rosa 2000	141,248	49	141,302	49	141,302	-	-	-	(54)
Municipality of Santa Rosa 2001	157,192	-	155,292	-	155,292	-	-	-	1,900
Municipality of Santa Rosa 2002	164,346	-	163,915	-	163,915	-	-	-	431
Municipality of Santa Rosa 2003	170,786	47	170,331	47	170,331	-	-	-	455
Municipality of Santa Rosa 2004	179,892	71	178,890	71	178,890	-	-	-	1,002
Municipality of Santa Rosa 2005	197,602	283	188,175	283	188,175	-	-	-	9,427
Municipality of Santa Rosa 2006	177,615	698	176,435	698	176,435	-	-	-	1,180
Municipality of Santa Rosa 2007	183,574	1,524	180,957	1,524	180,957	-	-	-	2,617
Municipality of Santa Rosa 2008	191,814	9,006	180,775	9,006	180,775	-	-	-	11,039
Municipality of Santa Rosa 2009	<u>207,894</u>	<u>183,122</u>	<u>183,122</u>	<u>183,122</u>	<u>183,122</u>	-	-	-	<u>24,772</u>
Total Municipality of Santa Rosa	<u>1,771,963</u>	<u>194,800</u>	<u>1,719,194</u>	<u>194,800</u>	<u>1,719,194</u>	-	-	-	<u>52,769</u>

Municipality of Vaughn 2000	43,100	87	42,917	87	42,917	-	-	-	183
Municipality of Vaughn 2001	44,948	84	44,875	84	44,875	-	-	-	73
Municipality of Vaughn 2002	43,898	89	46,238	89	46,238	-	-	-	(2,340)
Municipality of Vaughn 2003	46,231	87	46,159	87	46,159	-	-	-	72
Municipality of Vaughn 2004	46,998	90	46,859	90	46,859	-	-	-	139
Municipality of Vaughn 2005	48,142	167	48,070	167	48,070	-	-	-	72
Municipality of Vaughn 2006	47,236	197	47,044	197	47,044	-	-	-	192
Municipality of Vaughn 2007	46,892	765	46,242	765	46,242	-	-	-	650
Municipality of Vaughn 2008	46,890	2,842	45,015	2,842	45,015	-	-	-	1,875
Municipality of Vaughn 2009	48,101	43,822	43,822	43,822	43,822	-	-	-	4,279
Total Municipality of Vaughn	<u>462,436</u>	<u>48,230</u>	<u>457,241</u>	<u>48,230</u>	<u>457,241</u>	-	-	-	<u>5,195</u>
Total Municipalities	<u>2,234,399</u>	<u>243,030</u>	<u>2,176,435</u>	<u>243,030</u>	<u>2,176,435</u>	-	-	-	<u>57,964</u>

School District

Santa Rosa Consolidated School #8 2000	642,023	237	640,321	237	640,321	-	-	-	1,702
Santa Rosa Consolidated School #8 2001	637,386	101	631,500	101	631,500	-	-	-	5,886
Santa Rosa Consolidated School #8 2002	669,582	86	659,183	86	659,183	-	-	-	10,399
Santa Rosa Consolidated School #8 2003	678,792	136	675,947	136	675,947	-	-	-	2,845
Santa Rosa Consolidated School #8 2004	721,332	192	716,173	192	716,173	-	-	-	5,159
Santa Rosa Consolidated School #8 2005	783,498	864	760,103	864	760,103	-	-	-	23,395
Santa Rosa Consolidated School #8 2006	845,824	3,948	837,722	3,948	837,722	-	-	-	8,102
Santa Rosa Consolidated School #8 2007	799,040	6,563	756,857	6,563	756,857	-	-	-	42,183
Santa Rosa Consolidated School #8 2008	512,691	23,196	484,647	23,196	484,647	-	-	-	28,044
Santa Rosa Consolidated School #8 2009	849,315	764,860	764,860	764,860	764,860	-	-	-	84,455
Total Santa Rosa Consolidated School #8	<u>7,139,483</u>	<u>800,183</u>	<u>6,927,313</u>	<u>800,183</u>	<u>6,927,313</u>	-	-	-	<u>212,170</u>
Vaughn Municipal School #33 2000	115,157	86	114,671	86	114,671	-	-	-	486
Vaughn Municipal School #33 2001	154,403	109	154,164	109	154,164	-	-	-	239
Vaughn Municipal School #33 2002	129,113	98	129,118	98	129,118	-	-	-	(5)
Vaughn Municipal School #33 2003	167,310	126	166,929	126	166,929	-	-	-	381
Vaughn Municipal School #33 2004	182,467	119	151,664	119	151,664	-	-	-	30,803
Vaughn Municipal School #33 2005	169,746	212	172,762	212	172,762	-	-	-	(3,016)
Vaughn Municipal School #33 2006	186,154	268	185,805	268	185,805	-	-	-	349
Vaughn Municipal School #33 2007	127,567	591	139,518	591	139,518	-	-	-	(11,951)
Vaughn Municipal School #33 2008	172,585	5,170	170,228	5,170	170,228	-	-	-	2,357
Vaughn Municipal School #33 2009	176,320	171,762	171,762	171,762	171,762	-	-	-	4,558
Total Vaughn Municipal School #33	<u>1,580,822</u>	<u>178,541</u>	<u>1,556,621</u>	<u>178,541</u>	<u>1,556,621</u>	-	-	-	<u>24,201</u>
Total school district	<u>8,720,305</u>	<u>978,724</u>	<u>8,483,934</u>	<u>978,724</u>	<u>8,483,934</u>	-	-	-	<u>236,371</u>

Special District

Luna Vocational Technical Institute 2000	164,554	47	163,856	47	163,856	-	-	-	698
Luna Vocational Technical Institute 2001	177,327	23	175,709	23	175,709	-	-	-	1,618
Luna Vocational Technical Institute 2002	175,579	19	172,937	19	172,937	-	-	-	2,642
Luna Vocational Technical Institute 2003	180,318	28	179,658	28	179,658	-	-	-	660
Luna Community College 2004	204,010	42	202,598	42	202,598	-	-	-	1,412
Luna Community College 2005	212,250	182	205,963	182	205,963	-	-	-	6,287
Luna Community College 2006	193,819	774	192,127	774	192,127	-	-	-	1,692
Luna Community College 2007	206,470	1,453	198,696	1,453	198,696	-	-	-	7,774
Luna Community College 2008	208,998	8,953	197,602	8,953	197,602	-	-	-	11,396
Luna Community College 2009	233,886	211,019	211,019	211,019	211,019	-	-	-	22,867
Total Luna Vocational Technical Institute	<u>1,957,211</u>	<u>222,540</u>	<u>1,900,165</u>	<u>222,540</u>	<u>1,900,165</u>	-	-	-	<u>57,046</u>
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	65	3,249	65	3,249	-	-	-	513
Watermaster 2008	2,767	299	2,040	299	2,040	-	-	-	727
Watermaster 2009	2,384	1,710	1,710	1,710	1,710	-	-	-	674
Total Watermaster	<u>36,434</u>	<u>2,074</u>	<u>33,439</u>	<u>2,074</u>	<u>33,439</u>	-	-	-	<u>2,995</u>
Guadalupe Soil and Water 2000	16,665	-	21,412	-	21,412	-	-	-	(4,747)
Guadalupe Soil and Water 2001	24,933	1	25,224	1	25,224	-	-	-	(291)
Guadalupe Soil and Water 2002	23,293	-	23,262	-	23,262	-	-	-	31
Guadalupe Soil and Water 2003	23,359	1	23,326	1	23,326	-	-	-	33
Guadalupe Soil and Water 2004	23,264	1	22,008	1	22,008	-	-	-	1,256
Guadalupe Soil and Water 2005	25,673	2	25,900	2	25,900	-	-	-	(227)
Guadalupe Soil and Water 2006	24,742	32	24,686	32	24,686	-	-	-	56
Guadalupe Soil and Water 2007	24,406	41	22,956	41	22,956	-	-	-	1,450
Guadalupe Soil and Water 2008	23,854	379	22,877	379	22,877	-	-	-	977
Guadalupe Soil and Water 2009	27,601	26,401	26,401	26,401	26,401	-	-	-	1,200
Total Guadalupe Soil and Water	<u>237,790</u>	<u>26,858</u>	<u>238,052</u>	<u>26,858</u>	<u>238,052</u>	-	-	-	<u>(262)</u>
Total special district	<u>2,231,435</u>	<u>251,472</u>	<u>2,171,656</u>	<u>251,472</u>	<u>2,171,656</u>	-	-	-	<u>59,779</u>
Grand total	<u>28,572,470</u>	<u>3,203,999</u>	<u>27,831,762</u>	<u>3,203,564</u>	<u>27,831,762</u>	-	-	-	<u>740,708</u>

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COMPLIANCE SECTION

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Griego Professional Services, LLC

Certified Public Accountants

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, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, and the combining and individual funds and related budgetary comparisons presented as supplemental information of Guadalupe County (the County) as of and for the year ended June 30, 2010, and have issued our report thereon dated November 4, 2010. 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's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the agency'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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses identified as FS 06-01.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies identified as FS 10-01, FS 10-02, and FS 10-04.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Guadalupe County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as items FS 10-03, FS 10-05 (Guadalupe County Hospital SA-01), FS 10-06 (Guadalupe County Hospital SA-02), and FS 10-07 (Guadalupe County Hospital SA-03).

We noted no other matters that are required to be reported pursuant to Government Auditing Standards paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978.

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 agency's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the County, the New Mexico Department of Finance and Administration, the State Auditor, the New Mexico Legislature, and applicable federal grantors, 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
November 4, 2010

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010

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 required to meet our needs. County staff has been working diligently with Triadic to move forward and hopes to get this process in place by Fiscal Year 2011.

FS-10-01 Excess partial day Per Diem – Travel & Per Diem

Condition: During our testwork we found 10 instances of the 10 travel related disbursements tested that had the incorrect partial day per diem rate for out of town travel.

Criteria: NMAC 2.42.2.8.B(1): **Partial day per diem rate:** Public officers or employees who occasionally and irregularly travel shall be reimbursed for travel which does not require overnight lodging, but extends beyond a normal work day as follows:

- (a) for less than 2 hours of travel beyond normal work day, none;
- (b) for 2 hours, but less than 6 hours beyond the normal work day, \$12.00;
- (c) for 6 six hours, but less than 12 hours beyond the normal work day, \$20.00;
- (d) for 12 hours or more beyond the normal work day, \$30.00;
- (e) "Occasionally and irregularly" means not on a regular basis and infrequently as determined by the agency.

For example, an employee is not entitled to per diem rates under this subparagraph if the employee either travels once a week or travels every fourth Thursday of the month. However, the employee is entitled to per diem rates under this subparagraph if the employee either travels once a month with irregular destinations and at irregular times or travels four times in one month and then does not travel again in the next two months, so long as this is not a regular pattern.

(f) "Normal work day" means 8 hours within a nine-hour period for all public officers and employees both salaried and nonsalaried, regardless of the officers' or employees' regular work schedule.

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010

Cause: The County Commission of Guadalupe County, according to Resolution No. 04-2009-18 Per Diem and Mileage Act, determined the partial day per diem rates to be as follows:

- (a) For less than 2 hours of travel beyond a normal work day, -0
- (b) 2 hours, but less than 6 hours beyond the normal work day -\$15.00;
- (c) 6 hours, but less than 12 hours beyond the normal work day -\$25.00;
- (d) 12 hours or more beyond the normal work day -\$40.00

Effect: Not using the correct partial day per diem rates could cause Guadalupe County to over-spend on out of town travel and could make the county more vulnerable to incidents of fraud within travel related expenditures.

Auditor Recommendation: We recommend that the County Commission of Guadalupe County implement travel and per diem policies that are within the amounts of NMAC rules in order to safeguard against over spending or fraud.

Management Response: Guadalupe County will immediately reduce its partial day per diem rate within the amounts of the NMAC rules.

FS-10-02 Excess Per Diem pay for employee – Travel & Per Diem

Condition: During our testwork we found 1 instance of the 10 travel related disbursements tested that had the incorrect per diem pay for out of town travel.

Criteria: NMAC 2.42.2.8.B(1): **Partial day per diem rate:** Public officers or employees who occasionally and irregularly travel shall be reimbursed for travel which does not require overnight lodging, but extends beyond a normal work day as follows:

- (a) for less than 2 hours of travel beyond normal work day, none;
- (b) for 2 hours, but less than 6 hours beyond the normal work day, \$12.00;
- (c) for 6 six hours, but less than 12 hours beyond the normal work day, \$20.00;
- (d) for 12 hours or more beyond the normal work day, \$30.00;

According to the County Commission of Guadalupe County Resolution No. 04-2009-18 Per Diem and Mileage Act, determined the partial day per diem rates to be as follows:

- (a) For less than 2 hours of travel beyond a normal work day, -0
- (b) 2 hours, but less than 6 hours beyond the normal work day -\$15.00;
- (c) 6 hours, but less than 12 hours beyond the normal work day -\$25.00;
- (d) 12 hours or more beyond the normal work day -\$40.00

Cause: Per Diem pay for an employee should have been determined by using 3 days 11 hours (\$430) but the Per Diem amount was determined using 3 days 12 hours (\$445), which overpaid the employee by \$15.

Effect: Not using the correct per diem rates could cause Guadalupe County to over-spend on out of town travel and could make the county more vulnerable to incidents of fraud within travel related expenditures.

Auditor Recommendation: We recommend that the County Commission of Guadalupe County implement travel and per diem policies that are within the amounts of NMAC rules in order to safeguard against over spending or fraud. We also recommend that the County Commission of Guadalupe County double check per diem amounts to assure they are accurate and correct.

Management Response: . Guadalupe County agrees and will implement a procedure to verify that per diem and mileage is calculated correctly before payment is made.

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010

FS 10-03 Personnel Files

Criteria: Immigration Reform & Control Act of 1986 requires all employees hired after November 6, 1986 to complete a Form I-9 within 3 days of hire. Guidance regarding Form I-9 also states that if photocopies of identification are kept for any single employee they must be kept for all employees. Photocopies of identification also do not relieve the obligation to fully complete Section 2 of the Form I-9 nor is it an acceptable substitute for proper completion of the Form I-9 in general.

Condition: During our test work of personnel files, GPS noted the following:

- Five out of twenty-five employees did not have copies of the required identification for Form I-9 on file.
- One out of twenty-five employees tested did not have Form I-9 completely filled out.

Cause: The County has did not fully complete the required forms and retain the proper documents to be in compliance with requirement regarding Form I-9.

Effect: The County is not in compliance with the Immigration Reform and Control Act of 1986. The County could be subject to penalties ranging from \$110.00 - \$1,100.00. Not having supporting documentation is a serious failure of internal control procedures and could result in various legal complications in the event of noncompliance with a contract.

Auditors' Recommendations: We recommend the County obtain all required information and retain the necessary documents in the employees' personnel files. In the future, the County should make periodic checks to ensure all required information is being maintained.

Management's Response: Management agrees and County Staff has received copies of the required information on the five (5) employee's and also will take the necessary steps to ensure that employees' personnel files are updated periodically.

FS 10-04 — Pledged Collateral – Cash Equivalents and Deposits

Condition: During the year ended June 30, 2010, the County maintained and utilized deposits with financial institutions which were not covered by 50% of pledged collateral as required by State of New Mexico Statutes. As of June 30, 2010 the under collateralization at the institutions totaled \$5,459 at Community 1st Bank of Las Vegas.

Criteria: Cash equivalents and deposits in excess of FDIC Insurance Amounts (currently \$250,000) must be covered by 50% of pledged collateral in accordance with NMSA 1978 Section 6-10-17.

Effect: Lack of proper collateralization may result in non-compliance with state statutes and increase potential liability and exposure to the loss of the County's public funds in the event of bank closure.

Cause: The County maintained Deposit accounts with Community 1st Bank of Las Vegas in amounts in excess of FDIC Coverage without properly holding pledged collateral for the County.

Auditors' Recommendations: The County should ensure all cash balances are collateralized as required by State Statutes.

Management's Response: The Bank did not understand collateralization requirements of the State of New Mexico and did not have proper collateral on hand. The County will ensure all cash balances are collateralized as required by state statutes in the future.

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SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010

Guadalupe County - Hospital

FS 10-05 – Purchase Order Procedures (Guadalupe County Hospital SA 10-1)

Condition: There is often no reconciliation of the invoice(s) paid to the related Purchase Order (PO) to ensure that only items approved for purchase are actually being received and paid for.

Criteria or Specific Requirement: Adequate procedures regarding cash disbursements are important to ensure that the facility is only paying for approved items. According to the Guadalupe County Hospital Accounting Procedures Manual, “The Administrator or Department Head must follow the following procedures in approving and processing purchase requisitions:

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

Also

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

Effect: There is a possibility that vendors would ship more and bill for more items than the Hospital actually ordered. In addition, given that the Department Heads complete the PO, place the order, and receive the goods, the main control in place to ensure that items are not ordered and stolen is that PO's have to be completed and approved by the Administrator. If the matching of PO's to invoices does not always occur, goods could be ordered, stolen, payment would be disbursed, and the fraudulent activity would never be noted.

Cause: Vendors often send items individually or in multiple shipments for orders placed by the Hospital. It is difficult for the Accounting Manager to keep track of open PO's if they take longer than one payment period to receive all goods and invoices; therefore, a reconciliation typically does not occur.

Auditors' Recommendations: To achieve the necessary accountability for goods received and to prevent payment for goods not approved for purchase, we recommend that all invoices be reconciled to the related approved purchase order. This can be performed by keeping an open PO file in which the invoices and payments that make up each PO are kept until it is complete and closed.

Management's Response: Guadalupe County Hospital will establish a process for keeping PO files open until all related invoices are in and the PO is reconciled, complete and closed. The proposed new electronic billing and accounting system will improve the Purchase Order process.

FS 10-06 Unsupported Claims (Guadalupe County Hospital SA 10-2)

Condition: During our accounts receivable test of controls, we noted one patient claim out of 28 tested with charges of \$195 for Cardiac Panel (CK, CKMB, & Troponin) procedures that were unsupported by the Nurse Practitioner's authorization of order for the procedures to be performed.

Criteria or Specific Requirement: All Hospital claims must be supported by documentation indicating the procedures performed were authorized and appropriate based on the expertise and professional judgment of a residing physician or their equivalent.

Effect: Patients or third party payors could be charged more for procedures that are not documented or authorized. Lack of proper documentation could result in healthcare regulation violations.

Cause: The Nurse Practitioner forgot to document the authorization, and the Billing Technicians did not match the procedures from the approval form to procedures on the charge sheet.

Auditors' Recommendations: Establish formal procedures to match the authorized medical procedures to the charge sheets completed by the nurse, ensuring that all procedures billed are adequately approved and supported by documentation stating the procedures performed and who approved them.

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010

Management's Response: According to the Bylaws of the Medical Staff of Guadalupe County Hospital, Article A.9, All orders shall be in writing. An order shall be considered to be in writing if dictated to a registered professional nurse (RN), licensed practical nurse (LPN), Certified Respiratory Therapist, Registered Physical Therapist, Pharmacist, and Paramedics. Orders dictated over the telephone shall be signed by the attending practitioner within 24 hours. In this instance, the practitioner failed to sign the order after the fact, in violation of our policy. Our practice is to flag unsigned orders immediately to ensure compliance. This may or may not have been done. Guadalupe County Hospital is in the process of implementing an electronic medical records system that will not allow charges to be processed unless a chart is complete, including signatures by providers. In the meantime, Guadalupe County Hospital will establish a formal procedure to not allow billing for unsigned orders.

FS 10-07 Cash Collateralization (Guadalupe County Hospital SA 10-3)

Condition: At June 30, 2010, the Hospital had uninsured bank deposits of \$2,376,976 at one financial institution. State law requires that \$1,188,488 be collateralized. The hospital had collateral in place with this bank in the amount of \$909,795, which falls short of the required amount by \$278,693

Criteria or Specific Requirement: 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.

Effect: The deposits were not collateralized appropriately, and the Hospital was not in compliance with the cash collateralization requirements.

Cause: The Hospital's bank did not maintain adequate collateral over the Hospital's deposits.

Auditors' Recommendations: Consider either obtaining collateralization for bank deposits in excess of \$250,000 or moving the deposits to multiple banks with less than \$250,000 in each.

Management's Response: Upon establishing the Money Market Demand Account at Community First, Guadalupe County Hospital stipulated to the bank that the funds were to be 100% collateralized. This did not materialize. However, the pledge documents are now being processed with the Federal Reserve and Community First Bank. The Hospital will therefore be in compliance with the state cash collateralization requirements and will remain so in the future. Guadalupe County Hospital will develop and implement a process to verify collateralization with the banks on at least a quarterly basis to avoid such lapses.

Section III – PRIOR YEAR AUDIT FINDINGS

FS 06-01 Financial Records - Repeated

Fs-09-01 Budget Process - Resolved

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

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

FS 09-01 Contracting for Auditing Services (Guadalupe County Hospital), Resolved

FS 09-02 Late Audit Report (Guadalupe County Hospital), Resolved

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010

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 12, 2010. The following individuals were in attendance.

Guadalupe County

Glenn Gonzales, Chairman
Andy Madrid, County Manager
Rose Fernandez, Finance Director
Monica Abeyta, Finance-Projects
Gloria Jean Chavez, Finance Officer

Griego Professional Services, LLC

J.J. Griego, CPA
Benjamin Martinez