

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2011**



(This page intentionally left blank.)

## **INTRODUCTORY SECTION**

(This page intentionally left blank.)

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**OFFICIAL ROSTER**  
**JUNE 30, 2011**

<u><b>Name</b></u>		<u><b>Title</b></u>
	<u><b>Board of County Commissioners</b></u>	
Glenn G. Gonzales		Commission Chairman
Alvin V. Maestas, Sr.		Commission Vice-Chairman
Vincent R. Cordova		Commission Member
	<u><b>Elected Officials</b></u>	
Roberta Chavez		County Assessor
Adam J. Gallegos		County Clerk
Michael Lucero		County Sheriff
Marcos Salas		County Treasurer
Gilbert Gomez		Probate Judge
	<u><b>Administrative Officials</b></u>	
Andy J. Madrid		County Manager
Rose Fernandez		Finance Director
Gloria Jean Chavez		Finance Officer
Diana Urban		Chief Deputy Treasurer
Jesus L. Lopez		County Attorney

(This page intentionally left blank.)

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2011**  
**TABLE OF CONTENTS**

	<u>Exhibit</u>	<u>Page</u>
<b>INTRODUCTORY SECTION</b>		
Official Roster		i
Table of Contents		ii
<b>FINANCIAL SECTION</b>		
Independent Auditors' Report		iii-iv
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Assets	A-1	1-2
Statement of Activities	A-2	3-4
Fund Financial Statements:		
Balance Sheet – Governmental Funds	B-1	5-6
Reconciliation of the Balance Sheet to the Statement of Net Assets		7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-2	8-9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities		10
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund	C-1	11
Corrections Special Revenue Fund	C-2	12
Road Special Revenue Fund	C-3	13
Senior Citizens Special Revenue Fund	C-4	14
Indigent Special Revenue Fund	C-5	15
Statement of Fiduciary Net Assets and Liabilities for Agency Funds	D-1	16
Notes to the Financial Statements		17-44
<b>SUPPLEMENTARY INFORMATION</b>		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-1	47-50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-2	51-54
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:		
Environmental Gross Receipts Tax Special Revenue Fund	B-3	55
County Property Valuation Special Revenue Fund	B-4	56
EMS Special Revenue Fund	B-5	57
E-911 Enhanced Special Revenue Fund	B-6	58
Farm and Range Special Revenue Fund	B-7	59
Anton Chico Fire Special Revenue Fund	B-8	60
Puerto de Luna Fire Special Revenue Fund	B-9	61

(This page intentionally left blank.)



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

	<u>Statement/ Schedule</u>	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual: (Continued)		
Guadalupe County Fire Special Revenue Fund	B-10	62
Law Enforcement Special Revenue Fund	B-11	63
Recreation Special Revenue Fund	B-12	64
CDBG Public Safety Building Special Revenue Fund	B-13	65
Rural Primary Health Care Act Special Revenue Fund	B-14	66
PDL Public Safety Building Special Revenue Fund	B-15	67
La Loma Senior Center Special Revenue Fund	B-16	68
Puerto de Luna Senior Center Special Revenue Fund	B-17	69
DWI Grant Special Revenue Fund	B-18	70
DWI Distribution Special Revenue Fund	B-19	71
DWI Screening Special Revenue Fund	B-20	72
DWI Donation Special Revenue Fund	B-21	73
Recording and Filing Special Revenue Fund	B-22	74
Emergency Management Special Revenue Fund	B-23	75
Homeland Security Special Revenue Fund	B-24	76
Windmill Special Revenue Fund	B-25	77
Capital Project Fund	C-1	78
 Statement of Changes in Assets and Liabilities for Agency Funds	 E-1	 80
 <b>SUPPORTING SCHEDULES</b>		
Schedule of Collateral Pledged by Depository for Public Funds	I	81
Schedule of Cash and Temporary Investment Accounts	II	82
Tax Roll Reconciliation – Changes in Property Tax Receivable	III	83
Treasurer’s Property Tax Schedule	IV	84-87
 <b>COMPLIANCE SECTION</b>		
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		88-89
 <b>FEDERAL FINANCIAL ASSISTANCE</b>		
Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133		90-91
Schedule of Expenditures of Federal Awards	V	92
Schedule of Findings and Questioned Costs	VI	93-96

(This page intentionally left blank.)

**FINANCIAL SECTION**

(This page intentionally left blank.)



# 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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's 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, 2011, 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 \$4,066,125 as of June 30, 2011, and total revenues of \$8,139,767 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, 2011, and the respective changes in financial position 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, 2011, and the respective changes in financial position 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.

(This page intentionally left blank.)

In accordance with *Government Auditing Standards*, we have also issued a report dated November 2, 2011 on our consideration of Guadalupe County, New Mexico's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

For the year ended June 30, 2011, the County has not presented the *Management's Discussion and Analysis* that they Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and is not a required part of the financial statements. The Statement of Changes in Assets and Liabilities for Agency Funds and 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 2, 2011

(This page intentionally left blank.)



**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

Exhibit A-1

	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>ASSETS</b>		
Current Assets		
Cash and temporary investments	\$ 2,491,555	\$ 1,375,269
Receivables (net of allowance for uncollectibles)	942,578	1,907,603
Supplies inventory and other assets	-	160,169
Total Current Assets	3,434,133	3,443,041
Noncurrent Assets		
Investments	90,892	-
Capital assets	55,201,101	1,204,691
Less: accumulated depreciation	(21,388,884)	(581,607)
Total capital assets	33,812,217	623,084
Total noncurrent Assets	33,903,109	623,084
Total assets	\$ 37,337,242	\$ 4,066,125

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

Exhibit A-1

	<b>Governmental Activities</b>	<b>Component Unit</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 332,390	\$ 128,778
Accrued payroll	75,391	96,217
Accrued interest	70,056	-
Current portion of compensated absences	12,950	47,431
Current portion of long-term obligations	202,405	17,406
Total Current Liabilities	693,192	289,832
Noncurrent liabilities:		
Compensated Absences	38,851	-
Noncurrent portion of long-term bonds and notes payable	4,196,969	48,979
Total liabilities	4,929,012	338,811
Invested in capital assets, net of related debt	29,412,843	556,699
Restricted for:		
Special revenues	604,408	-
Capital projects	835,882	-
Unrestricted	1,555,097	3,170,615
Total net assets	32,408,230	3,727,314
Total liabilities and net assets	\$ 37,337,242	\$ 4,066,125

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, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,760,321	\$ 198,083	\$ 697,320	\$ -
Public safety	175,096	191,941	961,651	-
Culture and recreation	33,400	-	6,476	-
Health and welfare	2,023,765	-	1,296,084	7,175,976
Public works	2,275,665	350,486	4,084	1,780,329
Interest relating to long term debt	104,250	-	-	-
Total primary government	<u>7,372,497</u>	<u>740,510</u>	<u>2,965,615</u>	<u>8,956,305</u>
Component unit:				
Guadalupe County Hospital	<u>4,212,926</u>	<u>3,607,537</u>	<u>6,148</u>	<u>-</u>
Total component unit	<u>\$ 4,212,926</u>	<u>\$ 3,607,537</u>	<u>\$ 6,148</u>	<u>\$ -</u>

**General Revenues:**

Property taxes  
Gross receipts taxes  
Motor vehicle and fuel taxes  
Mill levy  
Other taxes  
Miscellaneous revenue  
Unrestricted investment earnings (loss)  
Sole community provider  
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

<b>Net (Expenses) Revenue and Changes in Net Assets</b>	
<b>Governmental Activities</b>	<b>Component Unit</b>
\$ (1,864,918)	\$ -
978,496	-
(26,924)	-
6,448,295	-
(140,766)	-
(104,250)	-
<u>5,289,933</u>	<u>-</u>
-	(599,241)
<u>\$ -</u>	<u>\$ (599,241)</u>
1,115,073	-
516,678	-
378,266	-
-	440,339
29	-
387,793	-
3,901	34,605
-	4,032,662
-	17,389
-	(5,948,222)
-	1,087
<u>2,401,740</u>	<u>(1,422,140)</u>
7,691,673	(2,021,381)
<u>24,716,557</u>	<u>5,748,695</u>
<u>\$ 32,408,230</u>	<u>\$ 3,727,314</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

	General Fund 101	Corrections Fund 201	Road Fund 204
<b>ASSETS</b>			
<i>Current:</i>			
Cash and cash equivalents	\$ 1,276,127	\$ 95,950	\$ 181,411
Investments	-	-	-
Accounts receivable			
Property taxes	261,918	-	-
Intergovernmental	25,942	24,870	34,163
Other receivables	11,535	29,676	-
Interfund balances	18,881	-	-
	<b>\$ 1,594,403</b>	<b>\$ 150,496</b>	<b>\$ 215,574</b>
<i>Total current assets</i>	<b>\$ 1,594,403</b>	<b>\$ 150,496</b>	<b>\$ 215,574</b>
 <b>LIABILITIES AND FUND BALANCE</b>			
<i>Current Liabilities:</i>			
Accounts payable	\$ 13,597	\$ 18,214	\$ 68
Accrued payroll	53,772	-	12,739
Interfund balances	-	-	-
Deferred revenue - property taxes	236,606	-	-
	<b>303,975</b>	<b>18,214</b>	<b>12,807</b>
<i>Total current liabilities</i>	<b>303,975</b>	<b>18,214</b>	<b>12,807</b>
 <i>Fund balance:</i>			
Nonspendable	-	-	-
Restricted	-	132,282	202,767
Committed	-	-	-
Assigned	-	-	-
Unassigned	1,290,428	-	-
	<b>1,290,428</b>	<b>132,282</b>	<b>202,767</b>
<i>Total fund balance</i>	<b>1,290,428</b>	<b>132,282</b>	<b>202,767</b>
<i>Total liabilities and fund balance</i>	<b>\$ 1,594,403</b>	<b>\$ 150,496</b>	<b>\$ 215,574</b>

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

Senior Citizens Fund 219	Indigent Fund 220	Capital Project 300	Nonmajor Governmental Funds	Total Governmental Funds
-	-	-	\$ -	\$ 1,126,475
-	150,202	203,092	16,043	516,678
-	-	-	10	378,295
106,101	1,040,943	2,148,356	537,288	4,697,029
16,040	-	-	396,818	412,858
-	-	-	38,863	228,503
-	-	368,307	15,171	512,007
-	-	-	-	3,901
17,368	-	6,812,883	136,777	7,199,826
<u>139,509</u>	<u>1,191,145</u>	<u>9,532,638</u>	<u>1,140,970</u>	<u>15,075,572</u>
-	-	-	47,471	1,899,709
-	-	-	342,093	638,359
-	-	-	33,400	33,400
216,190	1,177,186	-	155,998	1,549,374
-	-	1,108,427	195,615	1,936,010
-	-	11,216,686	668,299	11,935,948
-	-	209,827	35,078	258,476
-	-	34,332	-	34,332
<u>216,190</u>	<u>1,177,186</u>	<u>12,569,272</u>	<u>1,477,954</u>	<u>18,285,608</u>
<u>(76,681)</u>	<u>13,959</u>	<u>(3,036,634)</u>	<u>(336,984)</u>	<u>(3,210,036)</u>
-	-	3,288,437	-	3,288,437
47,000	-	70,316	80,135	457,452
-	-	(47,000)	(120,369)	(457,452)
<u>47,000</u>	<u>-</u>	<u>3,311,753</u>	<u>(40,234)</u>	<u>3,288,437</u>
(29,681)	13,959	275,119	(377,218)	78,401
<u>43,115</u>	<u>36,433</u>	<u>560,763</u>	<u>732,671</u>	<u>2,802,237</u>
<u>\$ 13,434</u>	<u>\$ 50,392</u>	<u>\$ 835,882</u>	<u>\$ 355,453</u>	<u>\$ 2,880,638</u>

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

(This page intentionally left blank.)



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, 2011

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

Fund balances - total governmental funds	\$ 2,880,638
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	33,812,217
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	236,606
Accrued interest expense	(70,056)
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	(4,399,374)
Compensated absences	(51,801)
Total Net Assets	<u>\$ 32,408,230</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, 2011**

	General Fund 101	Corrections Fund 201	Road Fund 204
<i>Revenues:</i>			
Property taxes	\$ 1,126,475	-	-
Gross receipts taxes	147,341	-	-
Other taxes	19	-	378,266
State grants	558,711	168,525	137,105
Federal grants	-	-	-
Licenses and fees	-	189,640	-
Charges for services	47,038	-	81,491
Investment income	3,901	-	-
Miscellaneous	227,068	-	5,730
<i>Total revenues</i>	<u>2,110,553</u>	<u>358,165</u>	<u>602,592</u>
<i>Expenditures:</i>			
Current			
General Government	1,852,238	-	-
Public safety	-	296,266	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Public works	-	-	631,968
Capital outlay	11,217	-	39,746
Debt service			
Principal	-	13,571	-
Interest	-	-	-
<i>Total expenditures</i>	<u>1,863,455</u>	<u>309,837</u>	<u>671,714</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>247,098</u>	<u>48,328</u>	<u>(69,122)</u>
<i>Other financing sources (uses):</i>			
Proceeds from note payable	-	-	-
Operating transfers in	130,001	-	130,000
Operating transfers (out)	(160,083)	-	(130,000)
<i>Total other financing sources (uses)</i>	<u>(30,082)</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	217,016	48,328	(69,122)
<i>Fund balances - beginning of year</i>	<u>1,073,412</u>	<u>83,954</u>	<u>271,889</u>
<i>Fund balances - end of year</i>	<u>\$ 1,290,428</u>	<u>\$ 132,282</u>	<u>\$ 202,767</u>

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

Senior Citizens Fund 219	Indigent Fund 220	Capital Project 300	Nonmajor Governmental Funds	Total Governmental Funds
-	-	-	\$ -	\$ 1,126,475
-	150,202	203,092	16,043	516,678
-	-	-	10	378,295
88,348	1,040,943	2,148,356	537,288	4,679,276
33,793	-	-	396,818	430,611
-	-	-	38,863	228,503
-	-	368,307	15,171	512,007
-	-	-	-	3,901
17,368	-	6,812,883	136,777	7,199,826
<u>139,509</u>	<u>1,191,145</u>	<u>9,532,638</u>	<u>1,140,970</u>	<u>15,075,572</u>
-	-	-	35,170	1,887,408
-	-	-	344,394	640,660
-	-	-	33,400	33,400
216,190	1,177,186	-	155,998	1,549,374
-	-	1,108,427	205,615	1,946,010
-	-	11,216,686	668,299	11,935,948
-	-	209,827	35,078	258,476
-	-	34,332	-	34,332
<u>216,190</u>	<u>1,177,186</u>	<u>12,569,272</u>	<u>1,477,954</u>	<u>18,285,608</u>
<u>(76,681)</u>	<u>13,959</u>	<u>(3,036,634)</u>	<u>(336,984)</u>	<u>(3,210,036)</u>
-	-	3,288,437	-	3,288,437
47,000	-	70,316	80,135	457,452
-	-	(47,000)	(120,369)	(457,452)
<u>47,000</u>	<u>-</u>	<u>3,311,753</u>	<u>(40,234)</u>	<u>3,288,437</u>
(29,681)	13,959	275,119	(377,218)	78,401
<u>43,115</u>	<u>36,433</u>	<u>560,763</u>	<u>732,671</u>	<u>2,802,237</u>
<u>\$ 13,434</u>	<u>\$ 50,392</u>	<u>\$ 835,882</u>	<u>\$ 355,453</u>	<u>\$ 2,880,638</u>

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

(This page intentionally left blank.)

**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, 2011**

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	\$	78,401
--------------------------------------------------------	----	--------

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		12,218,750
Depreciation expense		(1,492,710)

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

Change in deferred revenue related to the property taxes receivable		(11,402)
---------------------------------------------------------------------	--	----------

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

Decrease in accrued interest payable		(69,918)
Decrease in accrued compensated absences		(1,487)
Proceeds from note		(3,288,437)
Principal payments on notes		258,476

Changes in Net Assets	\$	<u><u>7,691,673</u></u>
-----------------------	----	-------------------------

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 1,328,466	\$ 1,328,466	\$ 1,338,250	\$ 9,784
Intergovernmental	452,500	456,244	557,594	101,350
Licenses and fees	-	-	-	-
Charges for services	32,500	46,500	47,038	538
Investment income	1,000	1,000	3,901	2,901
Miscellaneous	93,078	107,518	215,533	108,015
<i>Total revenues</i>	<u>1,907,544</u>	<u>1,939,728</u>	<u>2,162,316</u>	<u>222,588</u>
<i>Expenditures:</i>				
<i>Current</i>				
General Government	2,053,489	2,080,073	1,842,533	237,540
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	257,300	271,300	11,217	260,083
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,310,789</u>	<u>2,351,373</u>	<u>1,853,750</u>	<u>497,623</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(403,245)</u>	<u>(411,645)</u>	<u>308,566</u>	<u>720,211</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	130,001	130,001
Operating transfers (out)	-	-	(160,083)	(160,083)
Designated cash	403,245	411,645	-	(411,645)
<i>Total other financing sources (uses)</i>	<u>403,245</u>	<u>411,645</u>	<u>(30,082)</u>	<u>(441,727)</u>
<i>Net change in fund balances</i>	-	-	278,484	278,484
<i>Fund balances - beginning of year</i>	-	-	1,016,524	1,016,524
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,295,008</u>	<u>\$ 1,295,008</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(51,763)	
Expenditure accruals			(9,705)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 217,016</u>	

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

## STATE OF NEW MEXICO

Exhibit C-2

## GUADALUPE COUNTY

## CORRECTIONS SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	120,000	120,000	156,358	36,358
Licenses and fees	185,000	185,000	195,988	10,988
Charges for services	-	-	-	-
Investment income	400	400	-	(400)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>305,400</u>	<u>305,400</u>	<u>352,346</u>	<u>46,946</u>
<i>Expenditures:</i>				
<i>Current</i>				
General Government	-	-	-	-
Public safety	365,064	365,063	316,060	49,003
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	13,571	13,572	13,571	1
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>378,635</u>	<u>378,635</u>	<u>329,631</u>	<u>49,004</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(73,235)</u>	<u>(73,235)</u>	<u>22,715</u>	<u>95,950</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	73,235	73,235	-	(73,235)
<i>Total other financing sources (uses)</i>	<u>73,235</u>	<u>73,235</u>	<u>-</u>	<u>(73,235)</u>
<i>Net change in fund balances</i>	-	-	22,715	22,715
<i>Fund balances - beginning of year</i>	-	-	73,235	73,235
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,950</u>	<u>\$ 95,950</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			5,819	
Expenditure accruals			<u>19,794</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 48,328</u>	

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

## STATE OF NEW MEXICO

Exhibit C-3

## GUADALUPE COUNTY

## ROAD 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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 343,500	\$ 343,500	\$ 374,282	\$ 30,782
Intergovernmental	185,652	185,652	137,105	(48,547)
Licenses and fees	-	-	-	-
Charges for services	81,491	81,491	81,491	-
Investment income	-	-	-	-
Miscellaneous	-	5,730	5,730	-
<i>Total revenues</i>	<u>610,643</u>	<u>616,373</u>	<u>598,608</u>	<u>(17,765)</u>
<i>Expenditures:</i>				
<i>Current</i>				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	633,707	639,437	636,753	2,684
Capital outlay	40,000	40,000	39,746	254
<i>Debt service</i>				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>673,707</u>	<u>679,437</u>	<u>676,499</u>	<u>2,938</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(63,064)</u>	<u>(63,064)</u>	<u>(77,891)</u>	<u>(14,827)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	130,000	130,000
Operating transfers (out)	-	-	(130,000)	(130,000)
Designated cash	63,064	63,064	-	(63,064)
<i>Total other financing sources (uses)</i>	<u>63,064</u>	<u>63,064</u>	<u>-</u>	<u>(63,064)</u>
<i>Net change in fund balances</i>	-	-	(77,891)	(77,891)
<i>Fund balances - beginning of year</i>	-	-	259,302	259,302
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,411</u>	<u>\$ 181,411</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			3,984	
Expenditure accruals			<u>4,785</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (69,122)</u>	

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



## STATE OF NEW MEXICO

Exhibit C-4

## GUADALUPE COUNTY

## 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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	171,490	197,435	137,622	(59,813)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	20,798	20,798	17,368	(3,430)
<i>Total revenues</i>	<u>192,288</u>	<u>218,233</u>	<u>154,990</u>	<u>(63,243)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	217,264	243,209	216,494	26,715
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>217,264</u>	<u>243,209</u>	<u>216,494</u>	<u>26,715</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(24,976)</u>	<u>(24,976)</u>	<u>(61,504)</u>	<u>(36,528)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	47,000	47,000
Operating transfers (out)	-	-	-	-
Designated cash	24,976	24,976	-	(24,976)
<i>Total other financing sources (uses)</i>	<u>24,976</u>	<u>24,976</u>	<u>47,000</u>	<u>22,024</u>
<i>Net change in fund balances</i>	-	-	(14,504)	(14,504)
<i>Fund balances - beginning of year</i>	-	-	24,976	24,976
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,472</u>	<u>\$ 10,472</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(15,481)	
Expenditure accruals			304	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (29,681)</u>	

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

## STATE OF NEW MEXICO

Exhibit C-5

## GUADALUPE COUNTY

## INDIGENT SPECIAL REVENUE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 110,000	\$ 110,000	\$ 128,257	\$ 18,257
Intergovernmental	1,079,573	1,232,186	1,063,155	(169,031)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	100	100	-	(100)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,189,673</u>	<u>1,342,286</u>	<u>1,191,412</u>	<u>(150,874)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,203,894	1,356,507	1,175,654	180,853
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>1,203,894</u>	<u>1,356,507</u>	<u>1,175,654</u>	<u>180,853</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(14,221)</u>	<u>(14,221)</u>	<u>15,758</u>	<u>29,979</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	14,221	14,221	-	(14,221)
<i>Total other financing sources (uses)</i>	<u>14,221</u>	<u>14,221</u>	<u>-</u>	<u>(14,221)</u>
<i>Net change in fund balances</i>	-	-	15,758	15,758
<i>Fund balances - beginning of year</i>	-	-	14,221	14,221
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,979</u>	<u>\$ 29,979</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(267)	
Expenditure accruals			<u>(1,532)</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 13,959</u>	

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

**STATE OF NEW MEXICO** Exhibit D-1  
**GUADALUPE COUNTY**  
**STATEMENT OF FIDUCIARY NET ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2011**

	Agency Funds
<b>ASSETS</b>	
Cash	143,083
Property taxes recievable	559,615
<i>Total assets</i>	\$ 702,698
 <b>LIABILITIES</b>	
Due to other taxing units	702,698
<i>Total liabilities</i>	\$ 702,698

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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, 117 Camino de Vida, 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, 2011**

**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, 2011**

**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.

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust 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 Special Revenue 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 *Senior Citizen Special Revenue Fund* is 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.

The *Indigent Special Revenue Fund* is 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 County's construction projects.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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

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.

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, 2011**

**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 10<sup>th</sup> and April 10<sup>th</sup> are considered delinquent and the County may assess penalties and interest. The taxes attach as an enforceable lien on property thirty (30) days thereafter, at which time they become delinquent.

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

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

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

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



**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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:** Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The detail of the County’s fund balances is presented in Note 16.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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

**Equity Classifications:** In the government-wide financial statements, 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.

**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.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

*Budgetary Information (continued)*

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, 2011.

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.

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.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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 \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. Additionally, until December 31, 2012, 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*	\$ 2,219,705	\$ 316,259	\$ 142,975	\$ 2,678,939
FDIC coverage	<u>(1,755,468)</u>	<u>(316,259)</u>	<u>(142,975)</u>	<u>(2,214,702)</u>
Total uninsured public funds	<u>\$ 464,237</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 464,237</u>
Collateral requirement (50% of uninsured public funds)	\$ 464,237	\$ —	\$ —	464,237
Pledged security	<u>559,517</u>	<u>—</u>	<u>—</u>	<u>559,517</u>
Total under (over) collateralized	<u>\$ (95,280)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>(95,280)</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, 2011, \$464,237 of the County's bank balance of \$2,678,939 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.

**Investments**

As of June 30, 2011 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	90,506	90,506			
State Treasurer's Investment	<u>386</u>	<u>386</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total	<u>90,892</u>	<u>90,892</u>	<u>—</u>	<u>—</u>	<u>—</u>

*Interest rate risk* is the risk that interest rate variations may adversely affect an investment's fair value. The prices of securities fluctuate with market interest rates and the securities held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investments to rising interest rates. At June 30, 2011, the County's investment of New MexiGROW LGIP had a value of \$479.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

Credit risk - *Investments*. The County's Investment Policy limits investments to those securities authorized by the laws of the State of New Mexico. As of June 30, 2010, the County's investment of New MexiGROW LGIP had a credit risk rating of AAAM and a WAM of 36 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, Community 1<sup>st</sup> Bank of Las Vegas Certificates of Deposit, 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, 2011. 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, 2011, are as follows:

	General Fund	Corrections Fund	Road Fund	Senior Citizens Fund	Indigent Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Property Taxes	\$ 261,918	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 261,918
Intergovernmental	25,942	24,870	34,163	21,945	496,834	9,004	28,691	639,449
Other Receivables	11,535	29,676	—	—	—	—	—	41,211
Total Receivables	<u>299,395</u>	<u>54,546</u>	<u>34,163</u>	<u>21,945</u>	<u>496,834</u>	<u>9,004</u>	<u>28,691</u>	<u>942,578</u>

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax receivables are presented net of deferred revenues in the governmental balance sheet. Deferred revenue – property taxes totaled \$236,606, as presented in the general fund.

**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 General Fund to:	
Road Fund	\$ 130,000
Farm and Range Fund	25,524
Recreation Fund	4,450
Road Fund	<u>109</u>
Total transfers from the General Fund	<u>\$ 160,083</u>
Transfers from the Road Fund to:	
General Fund	<u>\$ 130,000</u>
Total transfers from the Road Fund	<u>\$ 130,000</u>

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 5. Interfund Receivables, Payables, and Transfers (continued)**

Transfers from DWI Donation Fund to:	
DWI Screening Fund	\$ <u>52</u>
Total transfers from the DWI Donation Fund	\$ <u><u>52</u></u>
Transfers from Windmill Fund to:	
Environmental Gross Receipts Fund	\$ 50,000
Capital Projects Fund	<u>70,316</u>
Total transfers from the Windmill Fund	\$ <u><u>120,316</u></u>
Transfers from Capital Projects Fund to:	
Senior Citizens Fund	\$ <u>47,000</u>
Total transfers from the Capital Projects Fund	\$ <u><u>47,000</u></u>

Receivables and payables from interfund transactions as of June 30, 2011 are listed below. The majority of interfund balances were affected or created due to cash overdrafts and a few other balances are either carried forward from the prior year, or were created when expenditures were inadvertently recorded in the incorrect fund and later adjusted to the correct fund.

	Due to <u>General Fund</u>	Due from <u>Other Funds</u>
Major Funds		
General Fund	\$ —	\$ 18,881
Nonmajor funds		
DWI Grant Fund	11,847	—
Emergency Management Fund	<u>7,034</u>	<u>—</u>
Total	<u><u>\$ 18,881</u></u>	<u><u>\$ 18,881</u></u>

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2011, 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:**

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>Capital Assets Used in Governmental Activities:</b>				
Capital Assets not being depreciated:				
Construction in Progress	\$ 4,138,529	\$ 9,382,121	\$ —	\$ 13,520,650
Land	<u>152,398</u>	<u>—</u>	<u>—</u>	<u>152,398</u>
Subtotal	<u>4,290,927</u>	<u>9,382,121</u>	<u>—</u>	<u>13,673,048</u>
Capital Assets being depreciated:				
Buildings	6,790,329	853,429	—	7,643,758
Machinery and Equipment	5,921,633	6,950	—	5,928,583
Furniture and Fixtures	1,138,551	—	—	1,138,551
Infrastructure	<u>24,840,911</u>	<u>1,976,250</u>	<u>—</u>	<u>26,817,161</u>
Subtotal	<u>38,691,424</u>	<u>2,836,629</u>	<u>—</u>	<u>41,528,053</u>
 Total Capital Assets	 <u>\$ 42,982,351</u>	 <u>\$ 12,218,750</u>	 <u>\$ ---</u>	 <u>\$ 55,201,101</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	\$ 2,643,306	\$ 820,508	\$ —	\$ 3,463,814
Machinery & Equipment	4,748,735	51,948	—	4,800,683
Furniture & Fixtures	334,515	133,617	—	468,132
Infrastructure	<u>12,169,618</u>	<u>486,637</u>	<u>—</u>	<u>12,656,255</u>
 Total	 <u>\$ 19,896,174</u>	 <u>\$ 1,492,710</u>	 <u>\$ ---</u>	 <u>\$ 21,388,884</u>
 Net Capital Assets	 <u>\$ 23,086,177</u>	 <u>\$ 10,726,040</u>	 <u>\$ ---</u>	 <u>\$ 33,812,217</u>

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

General Government	\$ 282,308
Public Works	1,074,017
Health and Welfare	125,938
Public Safety	<u>10,447</u>
 Total depreciation expense: governmental activities	 <u>\$ 1,492,710</u>

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 7. Long-term Debt**

During the year ended June 30, 2011, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	Balance <u>June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2011</u>	Current <u>Maturities</u>
<i>Governmental Activities:</i>					
Bonds Payable	\$ —	\$ 3,288,437*	\$ 90,704	\$ 3,197,733	\$ 94,672
Notes Payable	1,369,413	—	167,772	1,201,641	107,733
Compensated Absences	<u>50,314</u>	<u>56,851</u>	<u>55,364</u>	<u>51,801</u>	<u>12,950</u>
Total Long-Term Debt	<u>\$ 1,419,727</u>	<u>\$ 3,345,288</u>	<u>\$ 313,840</u>	<u>\$ 4,451,175</u>	<u>\$ 215,355</u>

The annual requirements to amortize the bond and notes payable as of June 30, 2011, including interest payments are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2012	\$ 202,405	\$ 173,154	\$ 375,559
2013	206,627	167,294	373,921
2014	193,375	161,226	354,601
2015	184,849	154,934	339,783
2016	177,809	148,455	326,264
2017-2021	966,567	634,331	1,600,899
2022-2026	1,160,904	423,043	1,583,947
2027-2031	1,032,584	197,951	1,230,535
2032-2037	<u>274,254</u>	<u>14,260</u>	<u>288,514</u>
	<u>\$ 4,399,374</u>	<u>\$ 2,074,649</u>	<u>\$ 6,474,023</u>

**Bonds Payable** – At June 30, 2011, the County had the following bond outstanding:

\*The total amount of the Series 2009 USDA Hospital Improvement Revenue Bonds is \$9,400,000, only \$3,288,437 has been drawn down as of June 30, 2011. Further draw downs are expected to be drawn down after June 30, 2011. Subsequent draw downs will be treated as additions to the debt in subsequent years.

	Series 2009 USDA Hospital Improvement <u>Revenue Bonds</u>
Original Issue	\$ 9,400,000
Maturity Date	12/29/49
Principal	December 29
Interest Rate	4.375%
Interest	December 29

**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.



**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 7. Long-term Debt (continued)**

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, 2011, compensated absences increased \$1,487 over the prior year accrual. See Note 1 for more details.

**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. As of June 30, 2011, Guadalupe County had no deferred revenues related to Special Revenue Funds.

**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, 2011:

**Governmental Funds:**

**Nonmajor Funds:**

Rural Primary Health Care Fund	666
Emergency Management Fund	8,906
<b>Total Nonmajor Funds</b>	<b>9,572</b>

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

B. *Excess expenditures over appropriations:* Budgetary authority is at the fund level. There were no funds where expenditures exceeded budgetary authority for the year ended June 30, 2011.

C. *Designated cash appropriation in excess of available balances:* There were no funds with designated cash in appropriations in excess of available balances for the year ended June 30, 2011.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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 for the plan. 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](http://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, 2011, 2010 and 2009 were \$141,012, \$139,823, and \$120,784, 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, 2011.

**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 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).

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 15. Subsequent Accounting Standard Pronouncements (continued)**

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, which is effective for financial statement periods beginning after June 15, 2012. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as if they were part of the primary government in certain circumstances.

In December of 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is effective for financial statements for periods beginning after December 15, 2011. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

The requirements in this Statement will improve financial reporting by contributing to the GASB’s efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source.

In June 2011, the GASB issued Statement No. 63, *Financial reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and net Position* which is effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The objective of this statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 16. Governmental Fund Balance**

**Fund Balance:** In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

*Nonspendable:* Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted:* Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

*Committed:* Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

*Assigned:* Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned:* Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Detail relating to the fund balance classifications is displayed below:

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 16. Fund Balance (continued)**

	General Fund 101	Corrections Fund 201	Road Fund 204	Senior Citizen Fund 2190	Indigent Fund 220	Capital Project 300	Total Nonmajor Governmental Funds
<b>Fund balances:</b>							
<b>Nonspendable:</b>							
Inventory	-	-	-	-	-	-	-
<b>Restricted for:</b>							
Housing of Prisoners	-	132,282	-	-	-	-	-
Roads and Highways	-	-	202,767	-	-	-	-
Care of Indigent Citizens	-	-	-	-	50,392	-	-
Capital Projects	-	-	-	-	-	835,882	-
Emergency Services	-	-	-	-	-	-	4,039
Fire Departments	-	-	-	-	-	-	34,164
Law Enforcement	-	-	-	-	-	-	4,581
Solid Waste Services	-	-	-	-	-	-	92,807
Valuation Services	-	-	-	-	-	-	36,886
Soil Conservation	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	112
Healthcare	-	-	-	-	-	-	-
Senior Citizens	-	-	-	13,434	-	-	16,371
County Clerk	-	-	-	-	-	-	26,145
<b>Committed to:</b>	-	-	-	-	-	-	-
<b>Assigned to:</b>							
Law Endorcement	-	-	-	-	-	-	472
Hospital Construction	-	-	-	-	-	-	149,448
<b>Unassigned</b>	1,290,428	-	-	-	-	-	(9,572)
<i>Total fund balance</i>	1,290,428	132,282	202,767	13,434	50,392	835,882	355,453

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 17. Guadalupe County Hospital**

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

Nature of Operations and Reporting Entity

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. The management agreement in effect through December 31, 2010 stipulated a monthly fee to be paid to New Mexicare based on 4% of generated monthly gross revenues, excluding certain revenues. It also stipulated a monthly fee to be paid to the County based on 1% of generated monthly gross revenues, excluding certain revenues. The agreement was amended on December 21, 2010 to restructure the fee schedule to a flat monthly rate. According to the amended agreement, the Hospital pays New Mexicare a flat monthly fee of \$12,000 for management and pays the County \$8,000 per month for administrative services. The amended agreement was effective January 1, 2011, for the period of January 1, 2011 through December 31, 2016.

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 nonexchange transactions (principally federal and state grants and county 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. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange 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). As permitted by GASB, the Hospital has elected to apply all relevant Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins that do not conflict with or contradict 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 estimates.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 16. Guadalupe County Hospital (continued)**

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

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.

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 value.

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 three to ten years.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 16. Guadalupe County Hospital (continued)**

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

Compensated Absences

The liability for compensated absences consists of unpaid, accumulated annual personal leave balances. The liability has been calculated 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 future to receive such payments upon termination are included. Employees can accumulate as many hours as they wish throughout the year and upon termination they will be paid out all vacation hours earned to date regardless of balance, until calendar year-end when any excess over 120 hours is forfeited.

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 criteria 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 service 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 \$49,000 and \$37,000 in 2011 and 2010, respectively. Bad debts are often indistinguishable from charity services and could also be considered a component of uncompensated care.

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.

Subsequent Events

Subsequent events through November 1, 2011, the date which the financial statements were available to be issued, were evaluated for recognition and disclosure in the June 30, 2011, financial statements.



**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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 nonacute 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.

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, 2011 are as follows:

	Amount	Status
Medicare		
2008	(1,710)	Tentative Settlement
2009	(10,000)	Tentative Settlement
2010	42,046	Tentative Settlement
2011	(6,746)	Not filed
	23,590	
Medicaid		
2010	-	Filed
2011	-	Not Filed
	-	
Estimated third party payer settlements	\$ 23,590	

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 an increase to net patient service revenue of approximately \$23,000 and \$19,000 for the years ended June 30, 2011 and 2010, respectively.

*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 changes and prospectively determined daily rates.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 16. Guadalupe County Hospital (continued)**

**Hospital Note 2. Net Patient Service Revenue (continued)**

The following summary details the components of net patient service revenue for the year ended June 30, 2010:

	2011
Gross charges	\$ 5,202,172
Add (less) third-party contractual adjustments and cost report settlements	(973,312)
Less bad debts and changes in allowance for uncollectible accounts	(571,920)
Less charity care	(49,403)
Net patient service revenue	\$ 3,607,537

**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, 2011, the Hospital had deposits with a bank balance of \$1,176,379, of which the entire balance was fully insured or 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.

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, 2011 and 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	\$ 238,995	\$ 238,995	\$ —	—	—

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).

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 16. Guadalupe County Hospital (continued)**

**Hospital Note 3. Deposits and Investments (continued)**

The credit quality of the Hospital's investments as of June 30, 2011 and 2010, was as follows (based on most recently published public information for the date of the balance sheet):

	June 30, 2010		
Investment Type	Rating	Rating Agency	Amount
Negotiable CDs	AAA	Standard & Poor's	<u>\$238,995</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.

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	2011
Deposits	\$ 1,136,274
Investments	<u>238,995</u>
Total	<u>\$ 1,375,269</u>
Included in the Balance Sheet captions	
Cash and cash equivalents	\$ 636,274
Certificates of deposit, current	500,000
Investments, current	<u>238,995</u>
Total	<u>\$ 1,375,269</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 was as follows:

Medicare	25%
Medicaid	18%
Other Third Party Payors	31%
Self-pay	<u>26%</u>
Total	<u>100%</u>

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 16. Guadalupe County Hospital (continued)**

**Hospital Note 4. Patient Accounts Receivable (continued)**

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

Medicare	\$	350,711
Medicaid		243,529
Other Third Party Payors		429,124
Self-pay		<u>365,494</u>
Total		<u><u>1,388,858</u></u>
Less allowance for contractual adjustments		<u>(270,231)</u>
		1,118,627
Less allowance for uncollectable accounts		<u>(341,759)</u>
Net Patient Accounts Receivable	\$	<u><u>776,868</u></u>

**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 being depreciated				
Equipment	707,528	497,163	=	1,204,691
Less accumulated depreciation				
Equipment	<u>(456,993)</u>	<u>(124,614)</u>	=	<u>(581,607)</u>
Total capital assets, net	<u>\$ 250,535</u>	<u>\$ 372,549</u>	<u>\$ =</u>	<u>\$ 623,084</u>

During 2010, it was determined that the new hospital would belong to the County and be recorded on their financial statements; therefore, the construction in progress was contributed to the County in 2010 resulting in the retirement of \$449,846. 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, 2011:

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>	<u>Current Maturities</u>
Capital lease obligation	\$ 82,986	\$ —	\$ 16,601	\$ 66,385	\$ 17,406
Other long-term liabilities					
Compensated Absences	<u>35,908</u>	<u>47,431</u>	<u>35,908</u>	<u>47,431</u>	<u>47,431</u>
Total Long-Term Debt	<u>\$ 118,894</u>	<u>\$ 47,431</u>	<u>\$ 52,509</u>	<u>\$ 113,816</u>	<u>\$ 64,837</u>

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 leased equipment totaled \$19,216 and \$6,405 at June 30, 2011 and 2010, respectively.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 16. Guadalupe County Hospital (continued)**

**Hospital Note 6. Long-Term Obligations (continued)**

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, 2011:

	<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total Debt</u> <u>Service</u>
	2012	20,184
	2013	20,184
	2014	20,184
	2015	<u>11,774</u>
Total Minimum Lease Payments		72,326
Less: amount representing interest		<u>5,941</u>
Present value of future minimum lease payments		<u>\$ 66,385</u>

**Hospital Note 7. Retirement Plan**

The Hospital established a defined contribution retirement plan effective April 2001, entitled “Guadalupe County Hospital 403(b) Plan,” which as of December 1, 2010 was rolled into a Section 457(b) plan entitled “Guadalupe County Hospital 457 Governmental Deferred Compensation Plan.” The plan is administered by the Hospital. Although it has 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 transition to the new plan required no probationary period for employees enrolled in the 403(b) plan at December 1, 2010. The plan allows eligible employees to defer a portion of their annual compensation pursuant to Section 457(b) of the Internal Revenue Code.

The Hospital also established an employer contribution match of up to 3% of the employee’s base wage. This match is still in effect with the transition to a 401(a) plan entitled “Guadalupe County Hospital 401(a) Plan.” Employer contributions to the plan are discretionary and are fully vested once the employee is eligible to participate in the 401(a) plan. Employee and employer contributions to these plans for the year ended June 30, 2011, were \$47,324 and \$24,094, respectively. Employee and employer contributions to the plan for the year ended June 30, 2010, were \$37,258 and \$17,322, 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.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 16. Guadalupe County Hospital (continued)**

**Hospital Note 8. Commitments and Contingencies (continued)**

*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.

*Litigation*—In the ordinary course of business, claims alleging malpractice and other matters may be filed against the Hospital. Claims may also be filed for incidents that have occurred, including some of which the Hospital is not presently aware. It is not possible to estimate the likelihood and amount of such potential claims. Accordingly, no accrual has been made for these potential claims.

**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 \$440,339 and \$434,453 in 2011 and 2010, 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 83% and 17%, 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 2011 were \$4.0 million, net of \$1,063,000 of matching funds contributed to the County. Total revenues for this program in 2010 were \$3.5 million, net of \$819,000 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, 2011:

- 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 2011 and 2010 for these services was \$698,516 and \$678,948, 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 amounts paid to the Clinic during fiscal years 2011 and 2010 for the lease were \$11,487 and \$8,410, respectively.
- The Hospital paid the lodging expenses of the Techttime Software Associates that helped install the new accounting and billing system. The amount paid to Super 8 Motel owned by one of the Hospital's board members during fiscal year 2011 for these expenses, was \$9,896.

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**NOTE 16. Guadalupe County Hospital (continued)**

**Hospital Note 12. New Hospital Construction**

The Hospital moved into a new building on July 1, 2011. The building belongs to the County; therefore, the related asset resides on the County's financial statements, and all construction costs funded by the Hospital have been accounted for as contributions to Guadalupe County in the year incurred. The building construction costs were funded through a combination of loan proceeds from a County loan and cash reserves of the Hospital.

(This page intentionally left blank.)



**SUPPLEMENTARY INFORMATION**

(This page intentionally left blank.)

**NONMAJOR GOVERNMENTAL FUNDS**

(This page intentionally left blank.)

**SPECIAL REVENUE FUNDS**

## 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.

**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.

**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.

## **SPECIAL REVENUE FUNDS**

**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, 2011**

	Environmental Gross Receipts 202	County Property Valuation Fund 203	EMS Fund 206	E-911 Enhanced Fund 207	Farm and Range Fund 208
<b>ASSETS</b>					
Current:					
Cash and temporary investments	\$ 96,903	\$ 36,949	\$ 4,039	\$ -	\$ -
Accounts receivable					
Property taxes	-	-	-	-	-
Intergovernmental	4,626	-	-	-	-
Other receivables	-	-	-	-	-
Interfund balances	-	-	-	-	-
<i>Total current assets</i>	<u>\$ 101,529</u>	<u>\$ 36,949</u>	<u>\$ 4,039</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Current Liabilities:					
Accounts payable	\$ 6,784	\$ 63	\$ -	\$ -	\$ -
Accrued payroll liabilities	1,938	-	-	-	-
Interfund balances	-	-	-	-	-
<i>Total current liabilities</i>	<u>8,722</u>	<u>63</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:					
Nonspendable	-	-	-	-	-
Restricted	92,807	36,886	4,039	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<i>Total fund balance</i>	<u>92,807</u>	<u>36,886</u>	<u>4,039</u>	<u>-</u>	<u>-</u>
<i>Total liabilities and fund balance</i>	<u>\$ 101,529</u>	<u>\$ 36,949</u>	<u>\$ 4,039</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
\$ 9,284	\$ 23,311	\$ 2,215	\$ 4	\$ 112	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	10,667	-
-	-	-	-	-	-	-	-
<u>\$ 9,284</u>	<u>\$ 23,311</u>	<u>\$ 2,215</u>	<u>\$ 4</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ 10,667</u>	<u>\$ -</u>
\$ 255	\$ 391	\$ -	\$ -	\$ -	\$ -	\$ 11,333	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>255</u>	<u>391</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,333</u>	<u>-</u>
-	-	-	-	-	-	-	-
9,029	22,920	2,215	4	112	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(666)	-
<u>9,029</u>	<u>22,920</u>	<u>2,215</u>	<u>4</u>	<u>112</u>	<u>-</u>	<u>(666)</u>	<u>-</u>
<u>\$ 9,284</u>	<u>\$ 23,311</u>	<u>\$ 2,215</u>	<u>\$ 4</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ 10,667</u>	<u>\$ -</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, 2011**

	<u>La Loma</u>	<u>Puerto del Luna</u>	<u>DWI</u>	<u>DWI</u>
	Senior	Senior	Grant	Distribution
	Center	Center	Fund	Fund
	Fund	Fund	Fund	Fund
	<u>2191</u>	<u>2192</u>	<u>2231</u>	<u>2232</u>
<b>ASSETS</b>				
Current:				
Cash and temporary investments	\$ -	\$ 16,371	\$ -	\$ 876
Accounts receivable				
Property taxes	-	-	-	-
Intergovernmental	-	-	13,398	-
Other receivables	-	-	-	-
Due from other funds	-	-	-	-
<i>Total current assets</i>	<u>\$ -</u>	<u>\$ 16,371</u>	<u>\$ 13,398</u>	<u>\$ 876</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<i>Current Liabilities:</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	-	-	11,847	-
<i>Total current liabilities</i>	<u>-</u>	<u>-</u>	<u>11,847</u>	<u>-</u>
<i>Fund balance:</i>				
Nonspendable	-	-	-	-
Restricted	-	16,371	1,551	876
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balance</i>	<u>-</u>	<u>16,371</u>	<u>1,551</u>	<u>876</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ 16,371</u>	<u>\$ 13,398</u>	<u>\$ 876</u>

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

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
\$ 2,150	\$ 472	\$ 26,145	\$ -	\$ -	\$ 149,448	\$ 368,279
-	-	-	-	-	-	-
-	-	-	-	-	-	28,691
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,150</u>	<u>\$ 472</u>	<u>\$ 26,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,448</u>	<u>\$ 396,970</u>
\$ -	\$ -	\$ -	\$ 16	\$ -	\$ -	\$ 18,842
-	-	-	1,856	-	-	3,794
-	-	-	7,034	-	-	18,881
-	-	-	8,906	-	-	41,517
-	-	-	-	-	-	-
2,150	-	26,145	-	-	-	215,105
-	-	-	-	-	-	-
-	472	-	-	-	149,448	149,920
-	-	-	(8,906)	-	-	(9,572)
<u>2,150</u>	<u>472</u>	<u>26,145</u>	<u>(8,906)</u>	<u>-</u>	<u>149,448</u>	<u>355,453</u>
<u>\$ 2,150</u>	<u>\$ 472</u>	<u>\$ 26,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,448</u>	<u>\$ 396,970</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, 2011**

	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	16,043	-	-	-	-
Other taxes	-	-	-	-	-
State grants	-	120	5,000	88,424	-
Federal grants	-	-	-	-	6,476
Licenses and fees	-	32,661	-	-	-
Charges for services	11,851	1,019	-	-	-
Investment income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<i>Total revenues</i>	<u>27,894</u>	<u>33,800</u>	<u>5,000</u>	<u>88,424</u>	<u>6,476</u>
<i>Expenditures:</i>					
Current					
General Government	-	29,311	-	-	-
Public safety	-	-	2,814	88,424	-
Culture and recreation	-	-	-	-	32,000
Health and welfare	-	-	-	-	-
Public works	195,615	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>195,615</u>	<u>29,311</u>	<u>2,814</u>	<u>88,424</u>	<u>32,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(167,721)</u>	<u>4,489</u>	<u>2,186</u>	<u>-</u>	<u>(25,524)</u>
<i>Other financing sources (uses):</i>					
Proceeds from note payable	-	-	-	-	-
Operating transfers in	50,000	-	-	-	25,524
Operating transfers (out)	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,524</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>(117,721)</u>	<u>4,489</u>	<u>2,186</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>210,528</u>	<u>32,397</u>	<u>1,853</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 92,807</u>	<u>\$ 36,886</u>	<u>\$ 4,039</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 211	Recreation Fund 217	CDBG Public Safety Building Fund 2185	Rural Primary Health Care Act Fund 2186	PDL Public Safety Building Fund 2187
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	10	-	-	-
65,568	53,753	-	16,875	-	-	61,363	-
-	-	-	-	-	-	-	376,919
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>65,568</u>	<u>53,753</u>	<u>-</u>	<u>16,875</u>	<u>10</u>	<u>-</u>	<u>61,363</u>	<u>376,919</u>
-	-	-	-	-	-	-	-
47,124	33,067	-	4,962	-	-	-	10,000
-	-	-	-	1,400	-	-	-
-	-	-	-	-	-	149,955	-
-	-	-	-	-	-	-	-
13,338	63,222	-	-	-	-	-	413,710
6,076	12,127	-	16,875	-	-	-	-
-	-	-	-	-	-	-	-
<u>66,538</u>	<u>108,416</u>	<u>-</u>	<u>21,837</u>	<u>1,400</u>	<u>-</u>	<u>149,955</u>	<u>423,710</u>
(970)	(54,663)	-	(4,962)	(1,390)	-	(88,592)	(46,791)
-	-	-	-	-	-	-	-
109	-	-	-	4,450	-	-	-
-	-	-	-	-	(1)	-	-
<u>109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,450</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
(861)	(54,663)	-	(4,962)	3,060	(1)	(88,592)	(46,791)
9,890	77,583	2,215	4,966	(2,948)	1	87,926	46,791
<u>\$ 9,029</u>	<u>\$ 22,920</u>	<u>\$ 2,215</u>	<u>\$ 4</u>	<u>\$ 112</u>	<u>\$ -</u>	<u>\$ (666)</u>	<u>\$ -</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, 2011**

	La Loma Senior Center Fund 2191	Puerto del Luna Senior Center Fund 2192	DWI Grant Fund 2231	DWI Distribution Fund 2232
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-
Other taxes	-	-	-	-
State grants	94,239	24,189	62,595	63,778
Federal grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>94,239</u>	<u>24,189</u>	<u>62,595</u>	<u>63,778</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	60,394	62,922
Culture and recreation	-	-	-	-
Health and welfare	2,806	3,237	-	-
Public works	-	-	-	-
Capital outlay	91,302	4,581	2,201	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>94,108</u>	<u>7,818</u>	<u>62,595</u>	<u>62,922</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>131</u>	<u>16,371</u>	<u>-</u>	<u>856</u>
<i>Other financing sources (uses):</i>				
Proceeds from note payable	-	-	-	-
Operating transfers in (out)	-	-	-	-
Operating transfers in (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	131	16,371	-	856
<i>Fund balances - beginning of year</i>	<u>(131)</u>	<u>-</u>	<u>1,551</u>	<u>20</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 16,371</u>	<u>\$ 1,551</u>	<u>\$ 876</u>

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

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	16,043
-	-	-	-	-	-	10
-	-	1,384	-	-	-	537,288
-	-	-	-	13,423	-	396,818
-	-	6,202	-	-	-	38,863
2,301	-	-	-	-	-	15,171
-	-	-	-	-	-	-
-	209	-	-	-	136,568	136,777
<u>2,301</u>	<u>209</u>	<u>7,586</u>	<u>-</u>	<u>13,423</u>	<u>136,568</u>	<u>1,140,970</u>
-	-	5,859	-	-	12,301	47,471
3,478	-	-	28,908	-	-	342,093
-	-	-	-	-	-	33,400
-	-	-	-	-	-	155,998
-	-	-	-	-	-	195,615
-	-	-	-	-	79,945	668,299
-	-	-	-	-	-	35,078
-	-	-	-	-	-	-
<u>3,478</u>	<u>-</u>	<u>5,859</u>	<u>28,908</u>	<u>-</u>	<u>92,246</u>	<u>1,477,954</u>
<u>(1,177)</u>	<u>209</u>	<u>1,727</u>	<u>(28,908)</u>	<u>13,423</u>	<u>44,322</u>	<u>(336,984)</u>
-	-	-	-	-	-	-
52	-	-	-	-	-	80,135
-	(52)	-	-	-	(120,316)	(120,369)
<u>52</u>	<u>(52)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,316)</u>	<u>(40,234)</u>
(1,125)	157	1,727	(28,908)	13,423	(75,994)	(377,218)
<u>3,275</u>	<u>315</u>	<u>24,418</u>	<u>20,002</u>	<u>(13,423)</u>	<u>225,442</u>	<u>732,671</u>
<u>\$ 2,150</u>	<u>\$ 472</u>	<u>\$ 26,145</u>	<u>\$ (8,906)</u>	<u>\$ -</u>	<u>\$ 149,448</u>	<u>\$ 355,453</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 20,000	\$ 20,000	\$ 25,627	\$ 5,627
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	108,700	108,700	11,851	(96,849)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>128,700</u>	<u>128,700</u>	<u>37,478</u>	<u>(91,222)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	192,874	194,851	194,757	94
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>192,874</u>	<u>194,851</u>	<u>194,757</u>	<u>94</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(64,174)</u>	<u>(66,151)</u>	<u>(157,279)</u>	<u>(91,128)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	50,000	50,000
Operating transfers (out)	-	-	-	-
Designated cash	64,174	66,151	-	(66,151)
<i>Total other financing sources (uses)</i>	<u>64,174</u>	<u>66,151</u>	<u>50,000</u>	<u>(16,151)</u>
<i>Net change in fund balances</i>	-	-	(107,279)	(107,279)
<i>Fund balances - beginning of year</i>	-	-	204,182	204,182
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,903</u>	<u>\$ 96,903</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(9,584)	
Expenditure accruals			<u>(858)</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (117,721)</u>	

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	120.00	120.00	-
Licenses and fees	25,000	25,000	32,661	7,661
Charges for services	150	150	1,019	869
Investment income	100	100	-	(100)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	25,250	25,370	33,800	8,430
<i>Expenditures:</i>				
Current				
General Government	53,050	53,170	29,945	23,225
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	5,000	5,000	-	5,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	58,050	58,170	29,945	28,225
<i>Excess (deficiency) of revenues over expenditures</i>	(32,800)	(32,800)	3,855	36,655
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	32,800	32,800	-	(32,800)
<i>Total other financing sources (uses)</i>	32,800	32,800	-	(32,800)
<i>Net change in fund balances</i>	-	-	3,855	3,855
<i>Fund balances - beginning of year</i>	-	-	33,094	33,094
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 36,949	\$ 36,949
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			634	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			\$ 4,489	

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,000	5,000	5,000	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	6,853	6,853	2,814	4,039
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>6,853</u>	<u>6,853</u>	<u>2,814</u>	<u>4,039</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,853)</u>	<u>(1,853)</u>	<u>2,186</u>	<u>4,039</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	1,853	1,853	-	(1,853)
<i>Total other financing sources (uses)</i>	<u>1,853</u>	<u>1,853</u>	<u>-</u>	<u>(1,853)</u>
<i>Net change in fund balances</i>	-	-	2,186	2,186
<i>Fund balances - beginning of year</i>	-	-	1,853	1,853
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,039</u>	<u>\$ 4,039</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>\$ 2,186</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	453,788	730,077	88,424	(641,653)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>453,788</u>	<u>730,077</u>	<u>88,424</u>	<u>(641,653)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	453,788	730,077	88,424	641,653
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>453,788</u>	<u>730,077</u>	<u>88,424</u>	<u>641,653</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	-	-	-	-
Operating transfers (out)	-	-	-	-
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			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ -</u>	

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

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

Statement B-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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	8,200	8,200	6,476	(1,724)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	8,200	8,200	6,476	(1,724)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	32,000	32,000	32,000	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	32,000	32,000	32,000	-
<i>Excess (deficiency) of revenues over expenditures</i>	(23,800)	(23,800)	(25,524)	(1,724)
<i>Other financing sources (uses):</i>				
Operating transfers in	25,524	25,524	25,524	-
Operating transfers (out)	-	-	-	-
Designated cash	(1,724)	(1,724)	-	1,724
<i>Total other financing sources (uses)</i>	23,800	23,800	25,524	1,724
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ -	

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

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

Statement B-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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	50,332	72,132	65,568	(6,564)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	100	100	-	(100)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>50,432</u>	<u>72,232</u>	<u>65,568</u>	<u>(6,664)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	43,786	62,708	46,869	15,839
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	10,460	13,338	13,338	-
Debt service				
Principal	6,076	6,076	6,076	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>60,322</u>	<u>82,122</u>	<u>66,283</u>	<u>15,839</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(9,890)</u>	<u>(9,890)</u>	<u>(715)</u>	<u>9,175</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	109	109
Operating transfers (out)	-	-	-	-
Designated cash	9,890	9,890	-	(9,890)
<i>Total other financing sources (uses)</i>	<u>9,890</u>	<u>9,890</u>	<u>109</u>	<u>(9,781)</u>
<i>Net change in fund balances</i>	-	-	(606)	(606)
<i>Fund balances - beginning of year</i>	-	-	9,890	9,890
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,284</u>	<u>\$ 9,284</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(255)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (861)</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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	50,332	53,753	53,753	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	100	100	-	(100)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>50,432</u>	<u>53,853</u>	<u>53,753</u>	<u>(100)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	59,856	56,055	32,676	23,379
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	56,000	63,222	63,222	-
Debt service				
Principal	12,127	12,127	12,127	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>127,983</u>	<u>131,404</u>	<u>108,025</u>	<u>23,379</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(77,551)</u>	<u>(77,551)</u>	<u>(54,272)</u>	<u>23,279</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	77,551	77,551	-	(77,551)
<i>Total other financing sources (uses)</i>	<u>77,551</u>	<u>77,551</u>	<u>-</u>	<u>(77,551)</u>
<i>Net change in fund balances</i>	-	-	(54,272)	(54,272)
<i>Fund balances - beginning of year</i>	-	-	77,583	77,583
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,311</u>	<u>\$ 23,311</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(391)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (54,663)</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, 2011**

	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	2,214	2,214	-	2,214
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	2,214	2,214	-	2,214
<i>Excess (deficiency) of revenues over expenditures</i>	(2,214)	(2,214)	-	2,214
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	2,214	2,214	-	(2,214)
<i>Total other financing sources (uses)</i>	2,214	2,214	-	(2,214)
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	2,215	2,215
<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>			\$ -	

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	21,800	21,800	21,800	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	21,800	21,800	21,800	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	4,966	4,966	4,962	4
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				-
Principal	16,875	16,875	16,875	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	21,841	21,841	21,837	4
<i>Excess (deficiency) of revenues over expenditures</i>	(41)	(41)	(37)	4
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	41	41	-	(41)
<i>Total other financing sources (uses)</i>	41	41	-	(41)
<i>Net change in fund balances</i>	-	-	(37)	(37)
<i>Fund balances - beginning of year</i>	-	-	41	41
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 4	\$ 4
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(4,925)	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (4,962)	

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ 10	\$ 10
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>10</u>	<u>10</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	6,000	6,000	5,900	100
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>6,000</u>	<u>6,000</u>	<u>5,900</u>	<u>100</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(5,890)</u>	<u>110</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	4,450	4,450	4,450	-
Operating transfers (out)	-	-	-	-
Designated cash	1,550	1,550	-	(1,550)
<i>Total other financing sources (uses)</i>	<u>6,000</u>	<u>6,000</u>	<u>4,450</u>	<u>(1,550)</u>
<i>Net change in fund balances</i>	-	-	(1,440)	(1,440)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,552</u>	<u>1,552</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112</u>	<u>\$ 112</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			<u>4,500</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 3,060</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, 2011**

	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	-	-	-	-
Operating transfers (out)	-	-	(1)	(1)
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	(1)	(1)
<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**  
**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, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	152,966	152,966	142,299	(10,667)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	152,966	152,966	142,299	(10,667)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	152,966	152,966	142,299	10,667
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	152,966	152,966	142,299	10,667
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
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			(80,936)	
Expenditure accruals			(7,656)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ (88,592)	

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	423,710	423,710	423,710	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>423,710</u>	<u>423,710</u>	<u>423,710</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	10,000	10,000	10,000	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	413,710	413,710	413,710	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>423,710</u>	<u>423,710</u>	<u>423,710</u>	<u>-</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	-	-	-	-
Operating transfers (out)	-	-	-	-
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

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	94,448	94,448	94,239	(209)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	94,448	94,448	94,239	(209)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	3,000	3,000	2,806	194
Public works	-	-	-	-
Capital outlay	91,317	91,317	91,302	15
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	94,317	94,317	94,108	209
<i>Excess (deficiency) of revenues over expenditures</i>	131	131	131	-
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	(131)	(131)	-	131
<i>Total other financing sources (uses)</i>	(131)	(131)	-	131
<i>Net change in fund balances</i>	-	-	131	131
<i>Fund balances - beginning of year</i>	-	-	(131)	(131)
<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>			\$ 131	

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

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

Statement B-17

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	24,393	24,393	24,189	(204)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>24,393</u>	<u>24,393</u>	<u>24,189</u>	<u>(204)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	3,745	3,745	3,237	508
Public works	-	-	-	-
Capital outlay	20,648	20,648	4,581	16,067
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>24,393</u>	<u>24,393</u>	<u>7,818</u>	<u>16,575</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>16,371</u>	<u>16,371</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>-</u>	<u>-</u>	<u>16,371</u>	<u>16,371</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,371</u>	<u>\$ 16,371</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>\$ 16,371</u>	

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

## STATE OF NEW MEXICO

Statement B-18

## 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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	69,286	71,939	60,034	(11,905)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>69,286</u>	<u>71,939</u>	<u>60,034</u>	<u>(11,905)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	57,750	60,451	60,394	57
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	2,250	2,202	2,201	1
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>60,000</u>	<u>62,653</u>	<u>62,595</u>	<u>58</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>9,286</u>	<u>9,286</u>	<u>(2,561)</u>	<u>(11,847)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	(9,286)	(9,286)	-	9,286
<i>Total other financing sources (uses)</i>	<u>(9,286)</u>	<u>(9,286)</u>	<u>-</u>	<u>9,286</u>
<i>Net change in fund balances</i>	-	-	(2,561)	(2,561)
<i>Fund balances - beginning of year</i>	-	-	(9,286)	(9,286)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,847)</u>	<u>\$ (11,847)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			2,561	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ -</u>	

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

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

Statement B-19

**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, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	64,000	64,000	63,778	(222)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	64,000	64,000	63,778	(222)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	66,674	66,674	65,576	1,098
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	66,674	66,674	65,576	1,098
<i>Excess (deficiency) of revenues over expenditures</i>	(2,674)	(2,674)	(1,798)	876
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	2,674	2,674	-	(2,674)
<i>Total other financing sources (uses)</i>	2,674	2,674	-	(2,674)
<i>Net change in fund balances</i>	-	-	(1,798)	(1,798)
<i>Fund balances - beginning of year</i>	-	-	2,674	2,674
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 876	\$ 876
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			2,654	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 856	

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



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

Statement B-20

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	3,500	3,500	2,301	(1,199)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	3,500	3,500	2,301	(1,199)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	6,775	6,775	3,478	3,297
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	6,775	6,775	3,478	3,297
<i>Excess (deficiency) of revenues over expenditures</i>	(3,275)	(3,275)	(1,177)	2,098
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	52	52
Operating transfers (out)	-	-	-	-
Designated cash	3,275	3,275	-	(3,275)
<i>Total other financing sources (uses)</i>	3,275	3,275	52	(3,223)
<i>Net change in fund balances</i>	-	-	(1,125)	(1,125)
<i>Fund balances - beginning of year</i>	-	-	3,275	3,275
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,150	\$ 2,150
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (1,125)	

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

## STATE OF NEW MEXICO

Statement B-21

## 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, 2011

	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	200	200	209	9
<i>Total revenues</i>	<u>200</u>	<u>200</u>	<u>209</u>	<u>9</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	515	515	-	515
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>515</u>	<u>515</u>	<u>-</u>	<u>515</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(315)</u>	<u>(315)</u>	<u>209</u>	<u>524</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	(52)	(52)
Designated cash	315	315	-	(315)
<i>Total other financing sources (uses)</i>	<u>315</u>	<u>315</u>	<u>(52)</u>	<u>(367)</u>
<i>Net change in fund balances</i>	-	-	157	157
<i>Fund balances - beginning of year</i>	-	-	315	315
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 472</u>	<u>\$ 472</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>\$ 157</u>	

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

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

Statement B-22

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,387	1,384	(3)
Licenses and fees	5,500	5,500	6,202	702
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	5,500	6,887	7,586	699
<i>Expenditures:</i>				
Current				
General Government	19,000	20,887	5,859	15,028
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	10,918	10,418	-	10,418
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	29,918	31,305	5,859	25,446
<i>Excess (deficiency) of revenues over expenditures</i>	(24,418)	(24,418)	1,727	26,145
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	24,418	24,418	-	(24,418)
<i>Total other financing sources (uses)</i>	24,418	24,418	-	(24,418)
<i>Net change in fund balances</i>	-	-	1,727	1,727
<i>Fund balances - beginning of year</i>	-	-	24,418	24,418
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 26,145	\$ 26,145
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			\$ 1,727	

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

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

Statement B-23

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	46,204	46,204	-	(46,204)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>46,204</u>	<u>46,204</u>	<u>-</u>	<u>(46,204)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	66,206	66,206	27,036	39,170
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>66,206</u>	<u>66,206</u>	<u>27,036</u>	<u>39,170</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(20,002)</u>	<u>(20,002)</u>	<u>(27,036)</u>	<u>(7,034)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	20,002	20,002	-	(20,002)
<i>Total other financing sources (uses)</i>	<u>20,002</u>	<u>20,002</u>	<u>-</u>	<u>(20,002)</u>
<i>Net change in fund balances</i>	-	-	(27,036)	(27,036)
<i>Fund balances - beginning of year</i>	-	-	20,002	20,002
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,034)</u>	<u>\$ (7,034)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(1,872)	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			<u>\$ (28,908)</u>	

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

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

Statement B-24

**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, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	13,423	286,129	13,423	(272,706)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	13,423	286,129	13,423	(272,706)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	117,706	-	117,706
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	155,000	-	155,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	-	272,706	-	272,706
<i>Excess (deficiency) of revenues over expenditures</i>	13,423	13,423	13,423	-
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	(13,423)	(13,423)	-	13,423
<i>Total other financing sources (uses)</i>	(13,423)	(13,423)	-	13,423
<i>Net change in fund balances</i>	-	-	13,423	13,423
<i>Fund balances - beginning of year</i>	-	-	(13,423)	(13,423)
<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 over expenditures (GAAP Basis)</i>			\$ 13,423	

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

## STATE OF NEW MEXICO

Statement B-25

## 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, 2011

	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	136,568	136,568	136,568	-
<i>Total revenues</i>	<u>136,568</u>	<u>136,568</u>	<u>136,568</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	150,000	79,684	12,301	67,383
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	162,010	162,010	79,945	82,065
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>312,010</u>	<u>241,694</u>	<u>92,246</u>	<u>149,448</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(175,442)</u>	<u>(105,126)</u>	<u>44,322</u>	<u>149,448</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	(120,316)	(120,316)
Designated cash	175,442	105,126	-	(105,126)
<i>Total other financing sources (uses)</i>	<u>175,442</u>	<u>105,126</u>	<u>(120,316)</u>	<u>(225,442)</u>
<i>Net change in fund balances</i>	-	-	(75,994)	(75,994)
<i>Fund balances - beginning of year</i>	-	-	225,442	225,442
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,448</u>	<u>\$ 149,448</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (75,994)</u>	

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

**CAPITAL PROJECT FUND**

(This page intentionally left blank.)



## 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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 156,000	\$ 156,000	192,386	\$ 36,386
Intergovernmental	2,805,734	2,805,734	1,823,861	(981,873)
Licenses and fees	-	-	-	-
Charges for services	214,000	273,500	324,416	50,916
Investment income	-	-	-	-
Miscellaneous	5,935,716	7,693,576	6,812,883	(880,693)
<i>Total revenues</i>	<u>9,111,450</u>	<u>10,928,810</u>	<u>9,153,546</u>	<u>(1,775,264)</u>
<i>Expenditures:</i>				
<i>Current</i>				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	789,528	1,290,506	835,904	454,602
Capital outlay	18,024,725	19,266,180	11,220,373	8,045,807
Debt service				-
Principal	118,432	209,136	209,136	-
Interest	34,311	36,146	36,146	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>18,966,996</u>	<u>20,801,968</u>	<u>12,301,559</u>	<u>8,500,409</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(9,855,546)</u>	<u>(9,873,158)</u>	<u>(3,148,013)</u>	<u>6,725,145</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	70,316	70,316	70,316	-
Operating transfers (out)	(47,000)	(47,000)	(47,000)	-
Bond proceeds	9,400,000	9,400,000	3,288,437	(6,111,563)
Designated cash	432,230	449,842	-	(449,842)
<i>Total other financing sources (uses)</i>	<u>9,855,546</u>	<u>9,873,158</u>	<u>3,311,753</u>	<u>(6,561,405)</u>
<i>Net change in fund balances</i>	-	-	163,740	163,740
<i>Fund balances - beginning of year</i>	-	-	456,489	456,489
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 620,229</u>	<u>\$ 620,229</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			379,092	
Adjustments to expenditures (liabilities)			(267,713)	

Excess (deficiency) of revenues and other sources (uses)

over expenditures (GAAP Basis)

\$ 275,119

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

(This page intentionally left blank.)

**FIDUCIARY FUNDS**

(This page intentionally left blank.)

## **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.

(This page intentionally left blank.)

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2011**

Statement D-1

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>ASSETS</b>				
Cash	\$ -	\$ 143,083	\$ -	\$ 143,083
Property taxes recievable	\$ 403,240	\$ 2,238,165	\$ 2,081,790	\$ 559,615
<i>Total assets</i>	<u>\$ 403,240</u>	<u>\$ 2,381,248</u>	<u>\$ 2,081,790</u>	<u>\$ 702,698</u>
<b>LIABILITIES</b>				
Due to other taxing units	\$ 403,240	\$ 2,381,248	\$ 2,081,790	\$ 702,698
<i>Total liabilities</i>	<u>\$ 403,240</u>	<u>\$ 2,381,248</u>	<u>\$ 2,081,790</u>	<u>\$ 702,698</u>

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

(This page intentionally left blank.)



**SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**JUNE 30, 2011**

Schedule I

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2011	Name and Location of Safekeeper
Wells Fargo Bank	FG G18360 Due 06/01/2025 Cusip 3128MMMJ9 4.00%	\$ 442,568	Wells Fargo Bank, N.A. WF Northwest
Wells Fargo Bank	FN 849300 Due 02/01/2036 Cusip 31408ERV6 6.00%	116,951	Wells Fargo Bank, N.A. WF Northwest
Total Pledged Collateral		\$ 559,519	

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

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS**  
**JUNE 30, 2011**

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	\$ 1,505,468	\$ 216,259	\$ 142,975	\$ -	\$ -	\$ 1,864,702
Checking - Deferred Comp Account	-	-	-	-	-	-
Checking - PBL Public Safety Bldg.	-	-	-	-	-	-
Trust - Courthouse Reserve	-	-	-	30,980	-	30,980
Trust - Guadalupe County PG Reserv	-	-	-	59,526	-	59,526
Trust - Road/Solidwaste Reserve	-	-	-	-	-	-
Certificates of Deposit	714,237	100,000	-	-	-	814,237
State Treasurer Investments	-	-	-	-	386	386
<b>Total On Deposit</b>	<b>2,219,705</b>	<b>316,259</b>	<b>142,975</b>	<b>90,506</b>	<b>386</b>	<b>2,769,831</b>
Reconciling Items	(44,746)	-	-	-	-	(44,746)
Reconciled Balance June 30, 2010	<u>\$ 2,174,959</u>	<u>\$ 316,259</u>	<u>\$ 142,975</u>	<u>\$ 90,506</u>	<u>\$ 386</u>	<u>\$ 2,725,085</u>
Petty Cash						445
Less: Fiduciary Cash						143,083
<b>Combined Balance Sheet Total June 30, 2011</b>						<u><u>\$ 2,582,447</u></u>

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

STATE OF NEW MEXICO  
 GUADALUPE COUNTY

Schedule III

TAX ROLL RECONCILIATION - CHANGES IN PROPERTY TAXES RECEIVABLE  
 FOR THE YEAR ENDED JUNE 30, 2011

Property taxes receivable, beginning of year	\$ 740,708
Changes to Tax Roll:	
Net taxes charged to treasurer for fiscal year	3,327,626
Adjustments:	
Increases in taxes receivables	7,222
Charge off of taxes receivables	<u>(4,318)</u>
 Total receivables prior to collections	 4,071,238
 Collections for fiscal year ended June 30, 2011	 <u>(3,249,705)</u>
 Property taxes receivable, end of year	 <u>\$ 821,533</u>
Property taxes receivable by years:	
2001	\$ 19,240
2002	24,228
2003	9,086
2004	71,938
2005	67,812
2006	20,342
2007	80,719
2008	90,896
2009	147,570
2010	<u>289,702</u>
 Total taxes receivable	 <u>\$ 821,533</u>

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

State of New Mexico - Guadalupe County  
 Tax Reconciliation - Collections and Distributions  
 For the Year Ended June 30, 2011

Schedule IV

	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year-End	County Receivable at Year-End
<b>Guadalupe County</b>									
Guadalupe County 2001	906,199	317	900,101	317	900,101	-	-	-	6,098
Guadalupe County 2002	911,559	798	907,778	798	907,778	-	-	-	3,781
Guadalupe County 2003	923,617	149	920,823	149	920,823	-	-	-	2,794
Guadalupe County 2004	1,009,607	154	988,771	154	988,771	-	-	-	20,836
Guadalupe County 2005	1,050,862	480	1,029,432	480	1,029,432	-	-	-	21,430
Guadalupe County 2006	983,468	1,146	977,880	1,146	977,880	-	-	-	5,588
Guadalupe County 2007	1,051,952	3,873	1,024,932	3,873	1,024,932	-	-	-	27,020
Guadalupe County 2008	1,064,017	13,622	1,030,886	13,622	1,030,886	-	-	-	33,131
Guadalupe County 2009	1,178,025	52,966	1,134,960	52,966	1,134,960	-	-	-	43,065
Guadalupe County 2010	1,181,011	1,085,103	1,085,103	1,085,103	1,085,103	-	-	-	95,908
Total Guadalupe County	10,260,317	1,158,608	10,000,666	1,158,608	10,000,666	-	-	-	259,651
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	2	280	2	280	-	-	-	8
Administrative Fees 2008	301	3	281	3	281	-	-	-	20
Administrative Fees 2009	269	11	242	11	242	-	-	-	27
Administrative Fees 2010	272	233	233	233	233	-	-	-	39
Total Administrative Fees	3,491	249	3,292	249	3,292	-	-	-	199
Omitted Assessments Fee 2001	190	-	-	-	-	-	-	-	190
Omitted Assessments Fee 2002	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2003	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2004	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2005	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2006	-	-	16	-	16	-	-	-	(16)
Omitted Assessments Fee 2007	350	-	19	-	19	-	-	-	331
Omitted Assessments Fee 2008	645	107	434	-	434	-	-	-	211
Omitted Assessments Fee 2009	2,056	32	679	-	679	-	-	-	1,377
Omitted Assessments Fee 2010	-	25	25	647	25	-	-	-	(25)
Total Omitted Assessments Fee	3,241	164	1,173	647	1,173	-	-	-	2,068

State of New Mexico - Guadalupe County  
 Tax Reconciliation - Collections and Distributions  
 For the Year Ended June 30, 2011

Schedule IV

	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 Hospital 2001	357,010	180	354,554	18	354,554	-	-	-	2,456
Guadalupe County Hospital 2002	360,822	448	356,967	448	356,967	-	-	-	3,855
Guadalupe County Hospital 2003	363,363	82	362,125	82	362,125	-	-	-	1,238
Guadalupe County Hospital 2004	395,794	85	387,840	85	387,840	-	-	-	7,954
Guadalupe County Hospital 2005	412,147	264	404,166	264	404,166	-	-	-	7,981
Guadalupe County Hospital 2006	386,745	570	384,292	570	384,292	-	-	-	2,453
Guadalupe County Hospital 2007	411,873	1,923	401,274	1,923	401,274	-	-	-	10,599
Guadalupe County Hospital 2008	412,678	5,758	399,862	5,758	399,862	-	-	-	12,816
Guadalupe County Hospital 2009	456,470	20,436	437,893	20,436	437,893	-	-	-	18,577
Guadalupe County Hospital 2010	455,036	416,436	416,436	416,436	416,436	-	-	-	38,600
Total Guadalupe County Hospital	4,011,938	446,182	3,905,409	446,020	3,905,409	-	-	-	106,529
<b>Total Guadalupe County</b>	<b>14,278,987</b>	<b>1,605,203</b>	<b>13,910,540</b>	<b>1,605,524</b>	<b>13,910,540</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>368,447</b>
<b>State of New Mexico</b>									
New Mexico State Treasurers 2001	182,585	75	180,686	75	180,686	-	-	-	1,899
New Mexico State Treasurers 2002	132,790	118	126,249	118	126,249	-	-	-	6,541
New Mexico State Treasurers 2003	164,728	31	164,039	31	164,039	-	-	-	689
New Mexico State Treasurers 2004	127,808	21	124,509	21	124,509	-	-	-	3,299
New Mexico State Treasurers 2005	162,228	80	158,909	80	158,909	-	-	-	3,319
New Mexico State Treasurers 2006	159,570	192	156,983	192	156,983	-	-	-	2,587
New Mexico State Treasurers 2007	167,113	584	160,736	584	160,736	-	-	-	6,377
New Mexico State Treasurers 2008	158,452	2,390	153,257	2,390	153,257	-	-	-	5,195
New Mexico State Treasurers 2009	159,748	7,142	153,043	7,142	153,043	-	-	-	6,705
New Mexico State Treasurers 2010	198,680	182,848	182,848	182,848	182,848	-	-	-	15,832
Total New Mexico State Treasurers	1,613,702	193,481	1,561,259	193,481	1,561,259	-	-	-	52,443
<b>Total State of New Mexico</b>	<b>1,613,702</b>	<b>193,481</b>	<b>1,561,259</b>	<b>193,481</b>	<b>1,561,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,443</b>
<b>Municipalities</b>									
Municipality of Santa Rosa 2001	157,192	-	155,292	-	155,292	-	-	-	1,900
Municipality of Santa Rosa 2002	164,347	-	163,915	-	163,915	-	-	-	432
Municipality of Santa Rosa 2003	170,787	34	170,364	34	170,364	-	-	-	423
Municipality of Santa Rosa 2004	179,892	42	178,932	42	178,932	-	-	-	960
Municipality of Santa Rosa 2005	197,603	161	188,336	161	188,336	-	-	-	9,267
Municipality of Santa Rosa 2006	177,615	260	176,694	260	176,694	-	-	-	921
Municipality of Santa Rosa 2007	183,574	950	181,906	950	181,906	-	-	-	1,668
Municipality of Santa Rosa 2008	191,761	2,994	183,769	2,994	183,769	-	-	-	7,992
Municipality of Santa Rosa 2009	208,389	8,964	192,086	8,964	192,086	-	-	-	16,303
Municipality of Santa Rosa 2010	206,069	183,053	183,053	183,053	183,053	-	-	-	23,016
Total Municipality of Santa Rosa	1,837,229	196,458	1,774,347	196,458	1,774,347	-	-	-	62,882

State of New Mexico - Guadalupe County  
 Tax Reconciliation - Collections and Distributions  
 For the Year Ended June 30, 2011

Schedule IV

	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
Municipality of Vaughn 2001	44,948	145	45,020	145	45,020	-	-	-	(72)
Municipality of Vaughn 2002	43,898	405	46,643	405	46,643	-	-	-	(2,745)
Municipality of Vaughn 2003	46,231	62	46,221	62	46,221	-	-	-	10
Municipality of Vaughn 2004	46,999	53	46,912	53	46,912	-	-	-	87
Municipality of Vaughn 2005	48,142	95	48,165	95	48,165	-	-	-	(23)
Municipality of Vaughn 2006	47,236	73	47,117	73	47,117	-	-	-	119
Municipality of Vaughn 2007	46,892	477	46,718	477	46,718	-	-	-	174
Municipality of Vaughn 2008	46,877	945	45,960	945	45,960	-	-	-	917
Municipality of Vaughn 2009	48,216	2,145	45,968	2,145	45,968	-	-	-	2,248
Municipality of Vaughn 2010	46,920	40,557	40,557	40,557	40,557	-	-	-	6,363
Total Municipality of Vaughn	466,359	44,957	459,281	44,957	459,281	-	-	-	7,078
<b>Total Municipalities</b>	<b>2,303,588</b>	<b>241,415</b>	<b>2,233,628</b>	<b>241,415</b>	<b>2,233,628</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69,960</b>
<b>School District</b>									
Santa Rosa Consolidated School #8 2001	637,389	173	631,673	173	631,673	-	-	-	5,716
Santa Rosa Consolidated School #8 2002	669,585	391	659,574	391	659,574	-	-	-	10,011
Santa Rosa Consolidated School #8 2003	678,795	97	676,044	97	676,044	-	-	-	2,751
Santa Rosa Consolidated School #8 2004	721,335	113	716,287	113	716,287	-	-	-	5,048
Santa Rosa Consolidated School #8 2005	783,501	491	760,594	491	760,594	-	-	-	22,907
Santa Rosa Consolidated School #8 2006	845,825	1,468	839,190	1,468	839,190	-	-	-	6,635
Santa Rosa Consolidated School #8 2007	799,040	4,089	760,946	4,089	760,946	-	-	-	38,094
Santa Rosa Consolidated School #8 2008	512,548	7,711	492,358	7,711	492,358	-	-	-	20,190
Santa Rosa Consolidated School #8 2009	851,337	37,442	802,302	37,442	802,302	-	-	-	49,035
Santa Rosa Consolidated School #8 2010	791,257	714,138	714,138	714,138	714,138	-	-	-	77,119
Total Santa Rosa Consolidated School #8	7,290,612	766,113	7,053,106	766,113	7,053,106	-	-	-	237,506
Vaughn Municipal School #33 2001	154,403	187	154,351	187	154,351	-	-	-	52
Vaughn Municipal School #33 2002	129,114	447	129,564	447	129,564	-	-	-	(450)
Vaughn Municipal School #33 2003	167,310	90	167,019	90	167,019	-	-	-	291
Vaughn Municipal School #33 2004	182,468	70	151,734	70	151,734	-	-	-	30,734
Vaughn Municipal School #33 2005	169,747	120	172,882	120	172,882	-	-	-	(3,135)
Vaughn Municipal School #33 2006	186,154	100	185,904	100	185,904	-	-	-	250
Vaughn Municipal School #33 2007	127,567	368	139,886	368	139,886	-	-	-	(12,319)
Vaughn Municipal School #33 2008	172,537	1,719	171,947	1,719	171,947	-	-	-	590
Vaughn Municipal School #33 2009	176,740	8,408	180,170	8,408	180,170	-	-	-	(3,430)
Vaughn Municipal School #33 2010	179,046	171,652	171,652	171,652	171,652	-	-	-	7,394
Total Vaughn Municipal School #33	1,645,086	183,161	1,625,109	183,161	1,625,109	-	-	-	19,977
<b>Total School District</b>	<b>8,935,698</b>	<b>949,274</b>	<b>8,678,215</b>	<b>949,274</b>	<b>8,678,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>257,483</b>

State of New Mexico - Guadalupe County  
 Tax Reconciliation - Collections and Distributions  
 For the Year Ended June 30, 2011

Schedule IV

	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	Current Amount Uncollectible	To-Date Amount Uncollectible	Undistributed at Year-End	County Receivable at Year-End
<b>Special District</b>									
Luna Vocational Technical Institute 2001	177,327	39	175,748	39	175,748	-	-	-	1,579
Luna Vocational Technical Institute 2002	175,579	85	173,022	85	173,022	-	-	-	2,557
Luna Vocational Technical Institute 2003	180,319	20	179,678	20	179,678	-	-	-	641
Luna Community College 2004	204,011	25	202,624	25	202,624	-	-	-	1,387
Luna Community College 2005	212,251	103	206,066	103	206,066	-	-	-	6,185
Luna Community College 2006	193,819	288	192,415	288	192,415	-	-	-	1,404
Luna Community College 2007	206,470	905	199,601	905	199,601	-	-	-	6,869
Luna Community College 2008	208,940	2,976	200,578	2,976	200,578	-	-	-	8,362
Luna Community College 2009	234,442	10,330	221,349	10,330	221,349	-	-	-	13,093
Luna Community College 2010	233,968	211,569	211,569	211,569	211,569	-	-	-	22,399
Total Luna Community College	2,027,126	226,340	1,962,650	226,340	1,962,650	-	-	-	64,476
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	41	3,289	41	3,289	-	-	-	473
Watermaster 2008	2,766	99	2,139	99	2,139	-	-	-	627
Watermaster 2009	2,390	84	1,793	84	1,793	-	-	-	597
Watermaster 2010	4,350	2,851	2,851	2,851	2,851	-	-	-	1,499
Total Watermaster	37,194	3,075	33,112	3,075	33,112	-	-	-	4,082
Guadalupe Soil and Water 2001	24,933	1	25,225	1	25,225	-	-	-	(292)
Guadalupe Soil and Water 2002	23,293	-	23,262	-	23,262	-	-	-	31
Guadalupe Soil and Water 2003	23,359	1	23,327	1	23,327	-	-	-	32
Guadalupe Soil and Water 2004	23,264	1	22,009	1	22,009	-	-	-	1,255
Guadalupe Soil and Water 2005	25,673	1	25,902	1	25,902	-	-	-	(229)
Guadalupe Soil and Water 2006	24,742	12	24,698	12	24,698	-	-	-	44
Guadalupe Soil and Water 2007	24,406	25	22,981	25	22,981	-	-	-	1,425
Guadalupe Soil and Water 2008	23,848	126	23,003	126	23,003	-	-	-	845
Guadalupe Soil and Water 2009	27,667	1,292	27,694	1,292	27,694	-	-	-	(27)
Guadalupe Soil and Water 2010	31,016	29,458	29,458	29,458	29,458	-	-	-	1,558
Total Guadalupe Soil and Water	252,201	30,917	247,559	30,917	247,559	-	-	-	4,642
<b>Total Special District</b>	<b>2,316,521</b>	<b>260,332</b>	<b>2,243,321</b>	<b>260,332</b>	<b>2,243,321</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,200</b>
<b>Grand Total</b>	<b>29,448,496</b>	<b>3,249,705</b>	<b>28,626,963</b>	<b>3,250,026</b>	<b>28,626,963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>821,533</b>



**COMPLIANCE SECTION**

(This page intentionally left blank.)



# 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, its discretely presented component unit, 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, 2011, and have issued our report thereon dated November 2, 2011. Our report includes reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of Guadalupe County Hospital, as described in our report on Guadalupe County's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of other auditors.

### 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 questioned costs, we and the other auditors 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 questioned costs 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 deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency. FS 10-01.

(This page intentionally left blank.)

### 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 questioned costs as items FS 10-01 and FS 11-01.

Other auditors noted an other matter that is required to be reported pursuant to Government Auditing Standards paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5, NMSA 1978 which is described in the accompanying schedule of findings and questioned costs as item FS 10-05 (Guadalupe County Hospital SA-01) and FS 11-01.

The County's and the Hospital'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 responses and, accordingly, we express no opinion on them.

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 2, 2011

(This page intentionally left blank.)

**FEDERAL FINANCIAL ASSISTANCE**

(This page intentionally left blank.)





# Griego Professional Services, LLC

Certified Public Accountants

## REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

### Compliance

We have audited Guadalupe County's (the "County") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of County's major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

### Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

(This page intentionally left blank.)

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of management, the Board of Commissioners, others within the County, the New Mexico State Legislature and its committees, and the New Mexico Department of Finance and Administration, the State Auditor, federal awarding agencies, and passthrough entities and is not intended to be and should not be used by anyone other than these specified parties.

*Grigo Professional Services, LLC*

Albuquerque, New Mexico  
November 2, 2011

**STATE OF NEW MEXICO**  
**GUADALUPE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2011**

Schedule V

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Grant Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Community Facilities Loans and Grants (1)	3122	10.766	3,288,437
<b>Total U.S. Department of Agriculture</b>			<u>3,288,437</u>
<b>U.S. Department of Housing and Urban Development</b>			
Community Development Block Grants - State Administered (1)	2187	14.228	423,710
<b>Total U.S. Department of Housing and Urban Development</b>			<u>423,710</u>
<b>U.S. Department of the Interior</b>			
Taylor Grazing	2080	15.226	6,476
<b>Total U.S. Department of the Interior</b>			<u>6,476</u>
<b>U.S. Department of Health &amp; Human Services</b>			
Title III B	2190	93.044	3,554
Title III C-1	2190	93.045	8,234
Title III C-2	2190	93.045	4,252
<b>Total U.S. Department of Health &amp; Human Services</b>			<u>16,040</u>
<b>U.S. Department of Homeland Security</b>			
Homeland Security Grant Program	2992	97.067	13,423
<b>Total U.S. Department of Homeland Security</b>			<u>13,423</u>
<b>Total Federal Financial Assistance</b>			<u>\$ 3,748,086</u>

(1) Denotes major federal assistance program

**Notes to Schedule of Expenditures of Federal Awards**

1. Basis of Presentation

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

2. Subrecipients

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

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 3,748,086
Total expenditures funded by other sources	<u>14,537,522</u>
Total expenditures	<u>18,285,608</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
 GUADALUPE COUNTY  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2011

Schedule VI

**Section I – Summary of Audit Results**

*Financial Statements:*

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

*Federal Awards:*

- | 1. Internal control over major programs:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                       |                 |        |                                                       |        |                                       |  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|-----------------|--------|-------------------------------------------------------|--------|---------------------------------------|--|
| a. Material weaknesses identified?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | No                                                    |                 |        |                                                       |        |                                       |  |
| b. Significant deficiency identified not considered to be material weaknesses?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | No                                                    |                 |        |                                                       |        |                                       |  |
| c. Control deficiency identified not considered to be significant deficiency?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | No                                                    |                 |        |                                                       |        |                                       |  |
| 2. Type of auditors' opinion issued on the <i>Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in accordance with OMB Circular A-133</i>                                                                                                                                                                                                                                                                                                                                                                        | Unqualified                                           |                 |        |                                                       |        |                                       |  |
| 3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?                                                                                                                                                                                                                                                                                                                                                                                                                                                       | No                                                    |                 |        |                                                       |        |                                       |  |
| 4. Identification of major programs:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                       |                 |        |                                                       |        |                                       |  |
| <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center; border-bottom: 1px solid black;">CFDA<br/>Number</th> <th style="text-align: center; border-bottom: 1px solid black;">Federal Program</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">14.228</td> <td style="text-align: center;">Community Development Block Grants-State Administered</td> </tr> <tr> <td style="text-align: center;">10.766</td> <td style="text-align: center;">Community Facilities Loans and Grants</td> </tr> </tbody> </table> | CFDA<br>Number                                        | Federal Program | 14.228 | Community Development Block Grants-State Administered | 10.766 | Community Facilities Loans and Grants |  |
| CFDA<br>Number                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Federal Program                                       |                 |        |                                                       |        |                                       |  |
| 14.228                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Community Development Block Grants-State Administered |                 |        |                                                       |        |                                       |  |
| 10.766                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Community Facilities Loans and Grants                 |                 |        |                                                       |        |                                       |  |
| 5. Dollar threshold used to distinguish between type A and type B programs:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | \$300,000                                             |                 |        |                                                       |        |                                       |  |
| 6. Auditee qualified as low-risk auditee?                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | No                                                    |                 |        |                                                       |        |                                       |  |

STATE OF NEW MEXICO  
GUADALUPE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule VI

**Section II – FINANCIAL STATEMENT FINDINGS**

**FS 06-01 — Financial Records (Material Weakness)(Repeated)**

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

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

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

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

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

*Management's Response:* Management agrees and County staff continues to work with Triadic consultants to develop our program to produce all the financial documents that are necessary to meet our needs. County Staff continues to work diligently with Triadic to move forward to getting this process in place in the upcoming year.

**FS-10-01 Excess partial day Per Diem – Travel & Per Diem (Significant Deficiency)(Revised & Repeated)**

*Condition:* During our testwork we found 6 instances of the 15 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 QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule VI

*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.

*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

The County's Resolution was not within the state statute. The County has since repealed this resolution, but the policy was in place for part of the 2011 fiscal year.

*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 has repealed this resolution in February 2011 with resolution number 02-2011-08, and has since implemented mileage and per diem polices within the amounts of the NMAC rules in order to safeguard against over spending or fraud.

**FS 11-01- Invoice Dated Before Purchase Order (Other Matter)**

*Condition:* During our testwork of cash disbursements, we found two out of twenty-five items tested where the invoice date was before the purchase order date.

*Criteria:* Guadalupe County's purchasing policy requires that purchase requisitions and purchase orders be approved by authorized personnel before the purchase of goods or services are made. NMSA 1978 Section 6-6-3 states that the County is expected to conform to the rules and regulations that they have adopted relating to internal control.

*Effect:* By not properly following procedures established with regards to purchasing, the County is at risk for unauthorized transactions to occur in the County's name.

*Cause:* Policies and Procedures of the County are in place, but were not followed in some instances.

*Auditors' Recommendations:* The County must enforce its purchasing policies and procedures that are in place regarding the purchases of goods and/or services.

*Management's Response:* Management Agrees and County Staff will take necessary steps to ensure proper use of purchase order and approval before the expense is incurred.

**Guadalupe County - Hospital**

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

*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:* 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."

STATE OF NEW MEXICO  
GUADALUPE COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011

Schedule VI

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 has implemented a new process for reconciling purchase orders with packing slips and invoices before payment is made.

**Section III – PRIOR YEAR AUDIT FINDINGS**

- FS-06-01 Financial Records – (Repeated)
- FS-10-01 Excess Partial Day Per Diem – Travel & Per Diem (Repeated)
- FS-10-02 Excess Per Diem Pay for Employee – Travel & Per Diem (Resolved)
- FS-10-03 Personnel Files (Resolved)
- FS-10-04 Pledged Collateral – Cash Equivalent and Deposits (Resolved)
- FS 10-05 Purchase Order Procedures (Guadalupe County Hospital SA 10-1) (Repeated)
- FS 10-06 Unsupported Claims (Guadalupe County Hospital SA 10-2) (Resolved)
- FS 10-07 Cash Collateralization (Guadalupe County Hospital SA 10-3) (Resolved)

**Section V – OTHER DISCLOSURES**

Auditor Prepared Financials

Griego Professional Services, LLC assisted in the preparation of the financial statements presented in this report. The County's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements.

Exit Conference

The contents of this report were discussed on November 9, 2011. The following individuals were in attendance.

Guadalupe County

Glenn G. Gonzales, Commission Chairman  
Andy J. Madrid, County Manager  
Rose Fernandez, Finance Director  
Monica Abeyta, Finance-Projects  
Gloria Jean Chavez, Finance Officer  
Marcos Salas, County Treasurer  
Diana Urban, County Treasurer Chief Deputy

Griego Professional Services, LLC

J.J. Griego, CPA, Partner