

STATE OF NEW MEXICO
GUADALUPE COUNTY
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012



(This page intentionally left blank.)

INTRODUCTORY SECTION

(This page intentionally left blank.)

STATE OF NEW MEXICO
GUADALUPE COUNTY
OFFICIAL ROSTER
JUNE 30, 2012

<u>Name</u>		<u>Title</u>
	<u>Board of County Commissioners</u>	
Glenn G. Gonzales		Commission Chairman
Vincent R. Cordova		Commission Vice-Chairman
Alvin V. Maestas, Sr.		Commission Member
	<u>Elected Officials</u>	
Roberta Chavez		County Assessor
Adam J. Gallegos		County Clerk
Michael Lucero		County Sheriff
Marcos Salas		County Treasurer
Gilbert Gomez		Probate Judge
	<u>Administrative Officials</u>	
Michael Romero		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, 2012
TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Official Roster		i
Table of Contents		ii
FINANCIAL SECTION		
Independent Auditors' Report		iii-iv
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
Road Special Revenue Fund	C-2	12
Senior Citizens Special Revenue Fund	C-3	13
Indigent Special Revenue Fund	C-4	14
Road Special Revenue Fund	C-4	14
Statement of Fiduciary Net Assets and Liabilities for Agency Funds	D-1	15
Notes to the Financial Statements		16-42
SUPPLEMENTARY INFORMATION		
<u>Statement/ Schedule</u>		
Combining and Individual Fund Statements and Schedules:		
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-1	45-48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-2	49-52
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Budgetary Basis) and Actual:		
Corrections Special Revenue Fund	B-3	53
Environmental Gross Receipts Tax Special Revenue Fund	B-4	54
County Property Valuation Special Revenue Fund	B-5	55
EMS Special Revenue Fund	B-6	56
E-911 Enhanced Special Revenue Fund	B-7	57
Farm and Range Special Revenue Fund	B-8	58
Anton Chico Fire Special Revenue Fund	B-9	59
Puerto de Luna Fire Special Revenue Fund	B-10	60
Guadalupe County Fire Special Revenue Fund	B-11	61
Law Enforcement Special Revenue Fund	B-12	62
Recreation Special Revenue Fund	B-13	63
CDBG Public Safety Building Special Revenue Fund	B-14	64
Rural Primary Health Care Act Special Revenue Fund	B-15	65
PDL Public Safety Building Special Revenue Fund	B-16	66
La Loma Senior Center Special Revenue Fund	B-17	67
Puerto de Luna Senior Center Special Revenue Fund	B-18	68
DWI Grant Special Revenue Fund	B-19	69

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)		
DWI Distribution Special Revenue Fund	B-20	70
DWI Screening Special Revenue Fund	B-21	71
DWI Donation Special Revenue Fund	B-22	72
Recording and Filing Special Revenue Fund	B-23	73
Emergency Management Special Revenue Fund	B-24	74
Homeland Security Special Revenue Fund	B-25	75
Windmill Special Revenue Fund	B-26	76
Capital Project Fund	C-1	77
 Statement of Changes in Assets and Liabilities for Agency Funds	 D-1	 78
 SUPPORTING SCHEDULES		
Schedule of Collateral Pledged by Depository for Public Funds	I	80
Schedule of Cash and Temporary Investment Accounts	II	81
Tax Roll Reconciliation – Changes in Property Tax Receivable	III	82
Treasurer’s Property Tax Schedule	IV	83-86
 COMPLIANCE SECTION		
 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		 87-88
 FEDERAL FINANCIAL ASSISTANCE		
 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		 89-90
Schedule of Expenditures of Federal Awards	V	91
Schedule of Findings and Questioned Costs	VI	92-95

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, 2012, 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, 2012, 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 \$ 18,228,855 as of June 30, 2012, and total revenues of \$ 7,955,381 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, 2012, 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, 2012, 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 10, 2012 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.

Management has omitted *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

GRIEGO PROFESSIONAL SERVICES, LLC

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

Albuquerque, New Mexico
November 10, 2012

(This page intentionally left blank.)

**BASIC
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO
GUADALUPE COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2012

Exhibit A-1

	Governmental Activities	Component Unit
ASSETS		
Current Assets		
Cash and temporary investments	\$ 2,575,165	\$ 2,354,195
Receivables (net of allowance for uncollectibles)	763,569	1,798,269
Prepaid insurance	25,861	-
Supplies inventory and other assets	-	188,543
Total Current Assets	3,364,595	4,341,007
Noncurrent Assets		
Capital assets	43,055,191	15,085,035
Less: accumulated depreciation	(22,406,979)	(1,197,187)
Total capital assets	20,648,212	13,887,848
Total noncurrent Assets	20,648,212	13,887,848
Total assets	\$ 24,012,807	\$ 18,228,855

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
GUADALUPE COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2012

Exhibit A-1

	Governmental Activities	Component Unit
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 53,072	\$ 112,870
Accrued payroll	8,527	149,244
Accrued interest	1,645	-
Current portion of compensated absences	11,506	49,022
Current portion of long-term obligations	103,391	32,850
Total Current Liabilities	178,141	343,986
Noncurrent liabilities:		
Compensated Absences	34,520	-
Noncurrent portion of long-term bonds and notes payable	995,437	1,380,752
Total liabilities	1,208,098	1,724,738
Invested in capital assets, net of related debt	19,549,384	12,474,246
Restricted for:		
Special revenues	744,579	-
Capital projects	1,040,400	-
Unrestricted	1,470,346	4,029,871
Total net assets	22,804,709	16,504,117
Total liabilities and net assets	\$ 24,012,807	\$ 18,228,855

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, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental activities:				
General government	\$ 1,564,341	\$ 302,989	\$ 280,380	\$ -
Public safety	1,333,886	173,966	659,782	-
Culture and recreation	13,254	-	-	-
Health and welfare	1,801,253	100,050	1,657,802	2,294,050
Public works	1,863,552	335,783	355,246	1,066,967
Interest relating to long term debt	107,374	-	-	-
Total primary government	6,683,660	912,788	2,953,210	3,361,017
Component unit:				
Guadalupe County Hospital	5,397,425	3,569,280	6,964	-
Total component unit	\$ 5,397,425	\$ 3,569,280	\$ 6,964	\$ -

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
Transfer of Debt and Guadalupe County Hospital
Transfer of Capital Assets to Guadalupe County Hosp
Contributions to County for hospital construction
Other Non-Operating Revenues

Total general revenues and transfers

Change in net assets

Beginning net assets

Ending net assets

The accompanying notes are an integral part of these financial statements

Net (Expenses) Revenue and Changes in Net Assets	
Governmental Activities	Component Unit
\$ (980,972)	\$ -
(500,138)	-
(13,254)	-
2,250,649	-
(105,556)	-
(107,374)	-
<u>543,355</u>	<u>-</u>
-	(1,821,181)
<u>\$ -</u>	<u>\$ (1,821,181)</u>
1,271,164	-
713,811	-
123,664	-
-	501,822
-	-
328,050	-
3,878	15,799
-	3,709,387
-	83,234
1,240,339	-
(13,827,782)	-
-	10,218,847
-	68,895
<u>(10,146,876)</u>	<u>14,597,984</u>
(9,603,521)	12,776,803
<u>32,408,230</u>	<u>3,727,314</u>
<u>\$ 22,804,709</u>	<u>\$ 16,504,117</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
GUADALUPE COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>General Fund 101</u>	<u>Road Fund 204</u>
ASSETS		
<i>Current:</i>		
Cash and cash equivalents	\$ 1,213,330	\$ 237,204
Investments	-	-
Accounts receivable		
Property taxes	189,866	-
Intergovernmental	-	26,638
Other receivables	10,076	-
Prepaid insurance	13,121	8,013
Interfund balances	106,592	-
	<u>106,592</u>	<u>-</u>
<i>Total current assets</i>	<u>\$ 1,532,985</u>	<u>\$ 271,855</u>
 LIABILITIES AND FUND BALANCE		
<i>Current Liabilities:</i>		
Accounts payable	\$ 9,889	\$ -
Accrued payroll	5,079	1,636
Interfund balances	-	-
Deferred revenue - property taxes	189,866	-
	<u>189,866</u>	<u>-</u>
<i>Total current liabilities</i>	<u>204,834</u>	<u>1,636</u>
 <i>Fund balance:</i>		
Nonspendable	13,121	8,013
Restricted	-	262,206
Committed	-	-
Assigned	-	-
Unassigned	1,315,030	-
	<u>1,315,030</u>	<u>-</u>
<i>Total fund balance</i>	<u>1,328,151</u>	<u>270,219</u>
<i>Total liabilities and fund balance</i>	<u>\$ 1,532,985</u>	<u>\$ 271,855</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
\$ -	\$ 46,891	\$ 544,099	\$ 533,641	\$ 2,575,165
-	-	-	-	-
-	-	-	-	189,866
-	7,364	506,122	23,503	563,627
-	-	-	-	10,076
1,543	-	-	3,184	25,861
-	-	-	-	106,592
<u>\$ 1,543</u>	<u>\$ 54,255</u>	<u>\$ 1,050,221</u>	<u>\$ 560,328</u>	<u>\$ 3,471,187</u>
\$ 626	\$ -	\$ 9,821	\$ 32,736	\$ 53,072
446	169	-	1,197	8,527
21,532	-	-	85,060	106,592
-	-	-	-	189,866
<u>22,604</u>	<u>169</u>	<u>9,821</u>	<u>118,993</u>	<u>358,057</u>
-	-	-	3,184	24,318
-	54,086	1,040,400	289,532	1,646,224
-	-	-	-	-
-	-	-	232,223	232,223
(21,061)	-	-	(83,604)	1,210,365
<u>(21,061)</u>	<u>54,086</u>	<u>1,040,400</u>	<u>441,335</u>	<u>3,113,130</u>
<u>\$ 1,543</u>	<u>\$ 54,255</u>	<u>\$ 1,050,221</u>	<u>\$ 560,328</u>	<u>\$ 3,471,187</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

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS

JUNE 30, 2012

Exhibit B-1

(Page 2 of 2)

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

Fund balances - total governmental funds	\$ 3,113,130
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	20,648,212
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	189,866
Accrued interest expense	(1,645)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Notes payable	(1,098,828)
Compensated absences	(46,026)
	<hr/>
Total Net Assets	<u>\$ 22,804,709</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, 2012

	General Fund 101	Road Fund 204
<i>Revenues:</i>		
Property taxes	\$ 1,317,904	-
Gross receipts taxes	98,816	-
Other taxes	-	123,664
State grants	541,356	252,702
Federal grants	-	-
Licenses and fees	25,108	-
Charges for services	13,229	334,298
Investment income	3,555	-
Miscellaneous	159,261	5,684
<i>Total revenues</i>	2,159,229	716,348
<i>Expenditures:</i>		
Current		
General Government	1,250,100	-
Public safety	430,396	-
Culture and recreation	-	-
Health and welfare	-	-
Public works	240,524	642,658
Capital outlay	60,758	31,238
Debt service		
Principal	-	-
Interest	-	-
<i>Total expenditures</i>	1,981,778	673,896
<i>Excess (deficiency) of revenues over expenditures</i>	177,451	42,452
<i>Other financing sources (uses):</i>		
Proceeds from note payable	-	-
Operating transfers in	130,000	155,000
Operating transfers (out)	(269,728)	(130,000)
<i>Total other financing sources (uses)</i>	(139,728)	25,000
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	37,723	67,452
<i>Fund balances - beginning of year</i>	1,290,428	202,767
<i>Fund balances - end of year</i>	\$ 1,328,151	\$ 270,219

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
-	-	-	\$ -	\$ 1,317,904
-	98,816	395,568	120,611	713,811
-	-	-	-	123,664
71,769	1,591,442	3,044,637	637,355	6,139,261
33,393.00	-	-	141,573	174,966
-	-	-	43,015	68,123
50	-	231,582	265,506	844,665
-	-	-	323	3,878
17,076	-	935	145,094	328,050
<u>122,288</u>	<u>1,690,258</u>	<u>3,672,722</u>	<u>1,353,477</u>	<u>9,714,322</u>
-	-	-	20,062	1,270,162
-	-	-	813,605	1,244,001
-	-	-	13,254	13,254
209,695	1,686,564	-	165,493	2,061,752
-	-	352,710	210,958	1,446,850
-	-	869,948	247,875	1,209,819
-	-	2,269,900	51,870	2,321,770
-	-	175,785	-	175,785
<u>209,695</u>	<u>1,686,564</u>	<u>3,668,343</u>	<u>1,523,117</u>	<u>9,743,393</u>
<u>(87,407)</u>	<u>3,694</u>	<u>4,379</u>	<u>(169,640)</u>	<u>(29,071)</u>
-	-	261,563	-	261,563
52,912	-	132,942	176,514	647,368
-	-	(194,366)	(53,274)	(647,368)
<u>52,912</u>	<u>-</u>	<u>200,139</u>	<u>123,240</u>	<u>261,563</u>
(34,495)	3,694	204,518	(46,400)	232,492
13,434	50,392	835,882	487,735	2,880,638
<u>\$ (21,061)</u>	<u>\$ 54,086</u>	<u>\$ 1,040,400</u>	<u>\$ 441,335</u>	<u>\$ 3,113,130</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, 2012

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	\$	232,492
--	----	---------

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

Capital expenditures		1,924,358
Depreciation expense		(1,260,581)
Transfer to hospital assets to Guadalupe County Hospital		(13,827,782)

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

Change in deferred revenue related to the property taxes receivable		(46,740)
---	--	----------

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		68,411
Decrease in accrued compensated absences		5,775
Bond proceeds		(261,563)
Principal payments on notes		2,321,770
Transfer of USDA Bond to Guadalupe County Hospital		1,240,339

Changes in Net Assets	\$	<u><u>(9,603,521)</u></u>
-----------------------	----	---------------------------

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

(This page intentionally left blank.)

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 1,325,756	\$ 1,325,756	\$ 1,456,613	\$ 130,857
Intergovernmental	509,443	530,791	542,641	11,850
Licenses and fees	20,600	20,600	25,108	4,508
Charges for services	12,200	12,200	13,229	1,029
Investment income	3,000	3,000	3,555	555
Miscellaneous	100,078	115,712	170,796	55,084
<i>Total revenues</i>	<u>1,971,077</u>	<u>2,008,059</u>	<u>2,211,942</u>	<u>203,883</u>
<i>Expenditures:</i>				
Current				
General Government	1,478,795	1,482,350	1,303,774	178,576
Public safety	457,363	488,043	436,967	51,076
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	270,239	270,239	245,801	24,438
Capital outlay	287,450	250,197	60,758	189,439
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,493,847</u>	<u>2,490,829</u>	<u>2,047,300</u>	<u>443,529</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(522,770)</u>	<u>(482,770)</u>	<u>164,642</u>	<u>647,412</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	130,000	130,000	130,000	-
Operating transfers (out)	(269,728)	(269,728)	(269,728)	-
Designated cash	662,498	622,498	-	(622,498)
<i>Total other financing sources (uses)</i>	<u>522,770</u>	<u>482,770</u>	<u>(139,728)</u>	<u>(622,498)</u>
<i>Net change in fund balances</i>	-	-	24,914	24,914
<i>Fund balances - beginning of year</i>	-	-	1,295,008	1,295,008
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,319,922</u>	<u>\$ 1,319,922</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(52,713)	
Expenditure accruals			65,522	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 37,723</u>	

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

STATE OF NEW MEXICO

Exhibit C-2

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 130,000	\$ 130,000	\$ 157,827	\$ 27,827
Intergovernmental	215,647	215,647	252,702	37,055
Licenses and fees	-	-	-	-
Charges for services	291,635	291,635	313,344	21,709
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>637,282</u>	<u>637,282</u>	<u>723,873</u>	<u>86,591</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	691,669	729,759	661,842	67,917
Capital outlay	85,000	46,910	31,238	15,672
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>776,669</u>	<u>776,669</u>	<u>693,080</u>	<u>83,589</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(139,387)</u>	<u>(139,387)</u>	<u>30,793</u>	<u>170,180</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	155,000	155,000	155,000	-
Operating transfers (out)	(130,000)	(130,000)	(130,000)	-
Designated cash	114,387	114,387	-	(114,387)
<i>Total other financing sources (uses)</i>	<u>139,387</u>	<u>139,387</u>	<u>25,000</u>	<u>(114,387)</u>
<i>Net change in fund balances</i>	-	-	55,793	55,793
<i>Fund balances - beginning of year</i>	-	-	181,411	181,411
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,204</u>	<u>\$ 237,204</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(7,525)	
Expenditure accruals			19,184	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 67,452</u>	

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

STATE OF NEW MEXICO

Exhibit C-3

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	183,405	179,088	112,166	(66,922)
Licenses and fees	-	-	-	-
Charges for services	-	-	50	50
Investment income	-	-	-	-
Miscellaneous	22,000	22,000	17,076	(4,924)
<i>Total revenues</i>	<u>205,405</u>	<u>201,088</u>	<u>129,292</u>	<u>(71,796)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	218,789	214,472	214,208	264
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>218,789</u>	<u>214,472</u>	<u>214,208</u>	<u>264</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(13,384)</u>	<u>(13,384)</u>	<u>(84,916)</u>	<u>(71,532)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	52,912	52,912
Operating transfers (out)	-	-	-	-
Designated cash	13,384	13,384	-	(13,384)
<i>Total other financing sources (uses)</i>	<u>13,384</u>	<u>13,384</u>	<u>52,912</u>	<u>39,528</u>
<i>Net change in fund balances</i>	-	-	(32,004)	(32,004)
<i>Fund balances - beginning of year</i>	-	-	10,472	10,472
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,532)</u>	<u>\$ (21,532)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(7,004)	
Expenditure accruals			4,513	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (34,495)</u>	

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

STATE OF NEW MEXICO

Exhibit C-4

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 95,000	\$ 95,000	\$ 113,397	\$ 18,397
Intergovernmental	-	1,606,349	1,591,442	(14,907)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>95,000</u>	<u>1,701,349</u>	<u>1,704,839</u>	<u>3,490</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	124,979	1,731,328	1,687,927	43,401
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>124,979</u>	<u>1,731,328</u>	<u>1,687,927</u>	<u>43,401</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(29,979)</u>	<u>(29,979)</u>	<u>16,912</u>	<u>46,891</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	29,979	29,979	-	(29,979)
<i>Total other financing sources (uses)</i>	<u>29,979</u>	<u>29,979</u>	<u>-</u>	<u>(29,979)</u>
<i>Net change in fund balances</i>	-	-	16,912	16,912
<i>Fund balances - beginning of year</i>	-	-	29,979	29,979
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,891</u>	<u>\$ 46,891</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(14,581)	
Expenditure accruals			<u>1,363</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 3,694</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, 2012

	<u>Agency Funds</u>
ASSETS	
Property taxes receivable	<u>404,758</u>
<i>Total assets</i>	<u><u>\$ 404,758</u></u>
 LIABILITIES	
Due to other taxing units	<u>404,758</u>
<i>Total liabilities</i>	<u><u>\$ 404,758</u></u>

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

(This page intentionally left blank.)

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012

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.

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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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 *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 7-20E-9, NMSA 1978 Compilation).

The *Capital Project Fund* accounts for the construction activities related to the County's construction projects.

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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

D. Assets, Liabilities and Net Assets or Equity

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

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

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

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

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

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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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.

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 Government-wide Statement of Net Assets reports \$1,784,979 of restricted net assets of which \$1,040,400 is restricted by enabling legislation. The County's policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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

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

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1. Summary of Significant Accounting Policies (continued)

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

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

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

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, 2012 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, 2012.

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

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3. Cash and Temporary Investments (continued)

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

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

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$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*	\$ 2,128,809	\$ 319,075	\$ 143,261	\$ 2,591,145
FDIC coverage	<u>(1,664,515)</u>	<u>(319,075)</u>	<u>(143,261)</u>	<u>(2,126,851)</u>
Total uninsured public funds	<u>\$ 464,294</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 464,294</u>
Pledged collateral held by				
pledging bank's trust department				
or agent in County's Name	<u>\$ (508,536)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>(508,536)</u>
Collateral requirement (50%				
of uninsured public funds)	\$ 232,147	\$ —	\$ —	232,147
Pledged security	<u>508,536</u>	<u>—</u>	<u>—</u>	<u>508,536</u>
Total under (over) collateralized	<u>\$ (508,536)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>(508,536)</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, 2012, none of the County's bank balance of \$2,591,145 was exposed to custodial credit risk because the County's balance was insured or collateral held by the pledging bank's trust department was held in the County's name.

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3. Cash and Temporary Investments (continued)

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, 2012 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	121,756	121,756			
State Treasurer's Investment	<u>142</u>	<u>142</u>	—	—	—
Total	<u>121,898</u>	<u>121,898</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. As of June 30, 2012, the County's investment of New MexiGROW LGIP had a credit risk rating of AAAM and a WAM(R) of 60 days and a WAM(F) of 83 days.

Credit risk - Investments. With respect to credit risk, the LGIP is rated AAAM by Standard & Poor's. Therefore, the LGIP reports AAAM for credit risk. Public funds are not required to disclose custodial credit risk for external investment pools. Therefore, the LGIP is exempt from this requirement.

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 1st Bank of Las Vegas Certificates of Deposit, U.S. Treasury Fund (NMFA 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, 2012. 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, 2012, are as follows:

	<u>General Fund</u>	<u>Road Fund</u>	<u>Indigent Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Property Taxes	\$ 189,866	\$ —	\$ —	\$ —	\$ —	\$ 189,866
Intergovernmental	—	26,638	7,364	506,122	23,503	563,627
Other Receivables	<u>10,076</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,076</u>
Total Receivables	<u>199,942</u>	<u>26,638</u>	<u>7,364</u>	<u>506,122</u>	<u>23,503</u>	<u>763,569</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 \$ 189,866, as presented in the general fund.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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	\$ 25,000
Farm and Range Fund	27,099
Recreation Fund	13,888
Senior Centers Fund	2,851
CDBG-Dental	40,000
Road Fund	130,000
Emergency Management	<u>31,160</u>
Total transfers from the General Fund	<u>\$ 269,728</u>

Transfers from the Road Fund to:	
General Fund	<u>\$ 130,000</u>
Total transfers from the Road Fund	<u>\$ 130,000</u>

Transfers from PDL Senior Center Fund to:	
General Fund	<u>\$ 331</u>
Total transfers from the PDL Senior Center Fund	<u>\$ 331</u>

Transfers from Windmill Fund to:	
Capital Project Fund	<u>\$ 52,942</u>
Total transfers from the Windmill Fund	<u>\$ 52,942</u>

Transfers from Capital Project Fund to:	
Internal Capital Projects Fund	\$ 41,608
Corrections Fund	75,584
La Loma Senior Center	28,782
Senior Centers	<u>50,000</u>
Total transfers from the Capital Project Fund	<u>\$ 195,974</u>

Receivables and payables from interfund transactions as of June 30, 2012 are listed below. The majority of interfund balances were affected or created due to cash overdrafts and a few other balances are either carried forward from the prior year, or were created when expenditures were inadvertently recorded in the incorrect fund and later adjusted to the correct fund.

	<u>Due to General Fund</u>	<u>Due from Other Funds</u>
Major Funds		
General Fund	\$ —	\$ 106,592
Nonmajor funds		
Senior Citizens Fund	21,532	—
La Loma Senior Center Fund	3	—
DWI Grant Fund	5,861	—
Emergency Management Fund	16,199	—
Homeland Security Fund	<u>62,997</u>	<u>—</u>
Total	<u>\$ 106,592</u>	<u>\$ 106,592</u>

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2012, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and Construction in Progress are not subject to depreciation.

Governmental Activities:

	Balance June 30, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Capital Assets Used in Governmental Activities:					
Capital Assets not being depreciated:					
Construction in Progress	\$ 13,520,650	\$ 390,300	\$ —	\$ (13,827,782)	\$ 83,168
Land	<u>152,398</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>152,398</u>
Subtotal	<u>13,673,048</u>	<u>390,300</u>	<u>—</u>	<u>(13,827,782)</u>	<u>235,566</u>
Capital Assets being depreciated:					
Buildings	7,643,758	75,541	—	—	7,719,299
Machinery and Equipment	5,928,583	57,048	(242,486)	—	5,743,145
Furniture and Fixtures	1,138,551	9,987	—	—	1,148,538
Infrastructure	<u>26,817,161</u>	<u>1,391,482</u>	<u>—</u>	<u>—</u>	<u>28,208,643</u>
Subtotal	<u>41,528,053</u>	<u>1,534,058</u>	<u>(242,486)</u>	<u>—</u>	<u>42,819,625</u>
Total Capital Assets	<u>\$ 55,201,101</u>	<u>\$ 1,924,358</u>	<u>\$ (242,486)</u>	<u>\$ (13,827,782)</u>	<u>\$ 43,055,191</u>
Less Accumulated Depreciation:					
Buildings	\$ (3,463,814)	\$ (139,982)	\$ —	808,350	\$ 2,795,446
Machinery & Equipment	(4,800,683)	(579,274)	242,486	(710,110)	5,847,581
Furniture & Fixtures	(468,132)	(74,442)	—	(106,928)	649,502
Infrastructure	<u>(12,656,255)</u>	<u>(466,883)</u>	<u>—</u>	<u>8,688</u>	<u>13,114,450</u>
Total	<u>\$ (21,388,884)</u>	<u>\$ (1,260,581)</u>	<u>\$ 242,486</u>	<u>—</u>	<u>\$ 22,406,979</u>
Net Capital Assets	<u>\$ 33,812,217</u>	<u>\$ 663,777</u>	<u>\$ —</u>	<u>\$ (13,827,782)</u>	<u>\$ 20,406,979</u>

Depreciation expense for the year ended June 30, 2012 was charged to the following functions and funds:

General Government	\$ 238,407
Public Works	906,998
Health and Welfare	106,354
Public Safety	<u>8,822</u>

Total depreciation expense: governmental activities \$ 1,260,581

During the year ended Jun 30, 2012 the County made a transfer of Capital Assets to the Guadalupe County Hospital in the amount of \$13,827,782. This amount represented the new Guadalupe County Hospital building which had been constructed over the past two years. The corresponding bond debt was also transferred as indicated in Note 7.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7. Long-term Debt

During the year ended June 30, 2012, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Current</u> <u>Maturities</u>
<i>Governmental Activities:</i>					
Bonds Payable	\$ 3,197,733	\$ 261,563	\$ 3,459,296*	\$ —	\$ —
Notes Payable	1,201,641	—	102,813	1,098,828	103,391
Compensated Absences	<u>51,801</u>	<u>53,189</u>	<u>58,964</u>	<u>46,026</u>	<u>11,506</u>
Total Long-Term Debt	<u>\$ 1,419,727</u>	<u>\$ 314,752</u>	<u>\$ 3,621,073</u>	<u>\$ 1,144,854</u>	<u>\$ 114,897</u>

Interest expense paid on long-term debt totaled \$107,374 for the year ended June 30, 2012 as indicated on the Statement of Activities.

The annual requirements to amortize the bond and notes payable as of June 30, 2012, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt</u> <u>Service</u>
2013	\$ 103,391	\$ 31,535	\$ 134,926
2014	93,570	29,742	123,312
2015	77,250	27,960	105,210
2016	65,502	26,188	91,690
2017	67,432	24,329	91,761
2018-2022	372,849	90,068	462,917
2023-2027	<u>318,834</u>	<u>34,244</u>	<u>353,078</u>
	<u>\$ 1,098,828</u>	<u>\$ 264,066</u>	<u>\$ 1,362,894</u>

Bonds Payable – At June 30, 2012, the County had the following bond outstanding:

*The total amount of the Series 2009 USDA Hospital Improvement Revenue Bonds is \$9,400,000, only \$3,550,000 was drawn down. Drawdowns and payments occurred during Fiscal Years 2011 and 2012. During the year ended June 30, 2012, payments were made in the amount of \$2,218,957. The remaining balance of \$1,240,339 was transferred to the Guadalupe County Hospital along with the Building assets referred to in Note 6.

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

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

Compensated Absences – Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2012, compensated absences decreased \$5,775 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, 2012, Guadalupe County had no deferred revenues related to Special Revenue Funds.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012:

Governmental Funds:

Major Funds

Senior Citizens Fund	\$ 21,061
----------------------	-----------

Nonmajor Funds:

Rural Primary Health Care Fund	3,909
La Loma Senior Center Fund	3
DWI Grant Fund	255
Emergency Management Fund	16,440
Homeland Security Fund	<u>62,997</u>

Total Nonmajor Funds	\$ 104,665
-----------------------------	-------------------

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, 2012.
- 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, 2012.

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.

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, 2012, 2011 and 2010 were \$157,416, \$141,012, and \$139,823, respectively, which equal the amount of the required contributions for each fiscal year.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012.

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).

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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15. Subsequent Accounting Standard Pronouncements (continued)

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.

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, 2012

NOTE 16. Fund Balance (continued)

	General Fund 101	Road Fund 204	Indigent Fund 220	Capital Project 300	Total Nonmajor Governmental Funds
Fund balances:					
Nonspendable:					
Prepaid insurance	13,121	8,013	-	-	4,727
Restricted for:					
Housing of Prisoners	-	-	-	-	34,712
Roads and Highways	-	262,206	-	-	-
Care of Indigent Citizens	-	-	54,086	-	-
Capital Projects	-	-	-	1,040,400	-
Emergency Services	-	-	-	-	6,790
Fire Departments	-	-	-	-	40,279
Law Enforcement	-	-	-	-	4,337
Solid Waste Services	-	-	-	-	116,975
Valuation Services	-	-	-	-	60,225
Soil Conservation	-	-	-	-	498
Recreation	-	-	-	-	746
County Clerk	-	-	-	-	24,970
Committed to:	-	-	-	-	-
Assigned to:					
Law Endorcement	-	-	-	-	1,399
Hospital Construction	-	-	-	-	230,824
Unassigned	1,315,030	-	-	-	(106,208)
<i>Total fund balance</i>	<u>\$ 1,328,151</u>	<u>\$ 270,219</u>	<u>\$ 54,086</u>	<u>\$ 1,040,400</u>	<u>\$ 420,274</u>

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, outpatient and emergency medical care services for residents of Guadalupe County (the “County”). The Hospital is a component unit of the County. 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, 2016 stipulates that 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.

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, 2012

NOTE 17. 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. Deposits that are held by the County are not included as Hospital cash and 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 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 are 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

In 2012, the new hospital facility and associated assets were transferred at net book value from the County to the Hospital and are included in the Hospital's capital assets.

Capital assets owned by the Hospital consist of land, land improvements, building, and equipment which are recorded at cost at the date of acquisition. The Hospital's policy is to expense items with 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 charged to expense as incurred.

Depreciation is computed using the straight-line method over the estimated useful life of equipment, which ranges from three to forty years. The following estimated useful lives are being used by the Hospital:

Land improvements	10 years
Buildings and improvements	40 years
Equipment	3-20 years

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17. 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 \$151,000 and \$49,000 in 2012 and 2011, 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, 2012, the date which the financial statements were available to be issued, were evaluated for recognition and disclosure in the June 30, 2012, financial statements.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17. Guadalupe County Hospital (continued)

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, 2012 are as follows:

	Amount	Status
Medicare		
2008	(1,710)	Tentative Settlement
2009	(10,000)	Tentative Settlement
2010	42,046	Tentative Settlement
2011	(6,746)	Tentative Settlement
2012	(2,500)	Not filed
	21,090	
Medicaid		
2010	-	Filed
2011	-	Filed
2012	-	Not filed
Estimated third party payor settlements	\$ 21,090	

Management believes that these estimates are adequate. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Estimates are continually monitored and reviewed, and as settlements are made or more information is available to improve estimates, differences are reflected in current operations.

Settlements of prior-year cost reports and changes in estimates resulted in a decrease to net patient service revenue of approximately \$2,500 for the year ended June 30, 2012, and an increase of approximately \$44,100 for the year ended June 30, 2011.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17. Guadalupe County Hospital (continued)

Hospital Note 2. Net Patient Service Revenue (continued)

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

The following summary details the components of net patient service revenue for the year ended June 30, 2012:

	2012
Gross charges	\$ 5,555,825
Add (less) third-party contractual adjustments and cost report settlements	(1,144,084)
Less bad debts and changes in allowance for uncollectible accounts	(691,829)
Less charity care	(150,632)
Net patient service revenue	\$ 3,569,280

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, 2012, the Hospital had deposits with a bank balance of \$2,402,538, of which \$377,855 were uninsured and uncollateralized, and therefore subject to custodial credit risk. As of June 30, 2011, the Hospital had deposits with bank balances of \$1,176,379, all of which was fully insured or collateralized

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.

The Hospital had no investments at June 30, 2012. As of June 30, 2011, all of the Hospital's investments (negotiable certificates of deposits) had maturities of less than one year.

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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17. Guadalupe County Hospital (continued)

Hospital Note 3. Deposits and Investments (continued)

Disclosures Relating to General Credit Risk

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

The credit quality of the Hospital's investments as of June 30, 2012 and 2011, was as follows (based on most recently published public information for the date of the balance sheet):

June 30, 2012			
Investment Type	Rating	Rating Agency	Amount
Negotiable CD's	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	2012
Deposits	\$ 2,354,195
Investments	
Total	\$ 2,354,195
Included in the Balance Sheet captions	
Cash and cash equivalents	\$ 1,854,195
Certificates of deposit, current	500,000
Investments, current	
Total	\$ 2,354,195

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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17. Guadalupe County Hospital (continued)

Hospital Note 4. Patient Accounts Receivable (continued)

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	15%
Medicaid	10%
Other Third Party Payors	35%
Self-pay	<u>40%</u>
Total	<u><u>100%</u></u>

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

Medicare	\$ 165,716
Medicaid	109,329
Other Third Party Payors	383,270
Self-pay	<u>440,329</u>
Total	<u><u>1,098,644</u></u>

Less allowance for contractual adjustments	<u>(241,931)</u>
	856,713
Less allowance for uncollectable accounts	<u>(413,874)</u>
Net Patient Accounts Receivable	<u><u>\$ 442,839</u></u>

Hospital Note 5. Capital Assets

Capital asset activity of the Hospital for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land		187,363		187,363
Capital assets being depreciated				
Building and Improvements		12,259,178		12,259,178
Land Improvements		202,963		202,963
Equipment	1,204,691	1,230,840		2,435,531
Less accumulated depreciation				
Building and Improvements		(306,479)		(306,479)
Land Improvements		(19,009)		(19,009)
Equipment	<u>(581,607)</u>	<u>(290,092)</u>	<u>—</u>	<u>(871,699)</u>
Total capital assets, net	<u>\$ 623,084</u>	<u>\$ 13,264,764</u>	<u>\$ —</u>	<u>\$ 13,887,848</u>

In 2011, the new hospital facility and related assets were presented in Guadalupe County's financial statements. During fiscal year 2012, it was determined that the new hospital facility and related assets would be transferred to Guadalupe County Hospital and presented in its financial statements. Approximately \$13,828,000 in new hospital facility assets were transferred from Guadalupe County. See note 12 for additional information.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17. Guadalupe County Hospital (continued)

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, 2012:

	Balance <u>June 30, 2011</u>	<u>Additions</u>	<u>Retirements</u>	Balance <u>June 30, 2012</u>	Current <u>Maturities</u>
Capital lease obligation	\$ 66,385	\$ —	\$ 17,407	\$ 48,978	\$ 18,251
Revenue Bonds Payable		\$ 1,364,624		\$ 1,364,624	\$ 14,599
Other long-term liabilities					
Compensated Absences	\$ 47,431	\$ 49,022	\$ 47,431	\$ 49,022	\$ 49,022
Total Long-Term Debt	<u>\$ 113,816</u>	<u>\$ 1,413,646</u>	<u>\$ 64,838</u>	<u>\$ 1,462,624</u>	<u>\$ 81,872</u>

Hospital Note 6. Long-Term Obligations (continued)

Capital Lease—The Hospital has 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 \$32,027 and \$19,216 at June 30, 2012 and 2011, respectively.

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, 2012:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total Debt</u> <u>Service</u>
2014	20,184
2015	20,184
2015	<u>11,774</u>
Total Minimum Lease Payments	52,142
Less: amount representing interest	<u>3,164</u>
Present value of future minimum lease payments	<u>\$ 48,978</u>

Revenue Bonds Payable

The revenue bonds payable, transferred to the Hospital from Guadalupe County in 2012 (see Note 12), consist of the following:

Guadalupe County, New Mexico Hospital Improvement Revenue Bonds, Series 2009, issued in the amount of \$3,550,000 with a maturity date of December 29, 2049. Interest is payable annually on December 29 at an interest rate of 4.375%. The bonds were purchased by the United States Department of Agriculture under the provisions of the Consolidated Farm and Rural Development Act.

The proceeds from the bond issue were used to construct the new hospital facility. The bonds are secured by Hospital net revenues and payments of bond principal are also secured by an insurance policy issued by a commercial insurer.

The bond indenture agreement requires the funds to be maintained as a trust fund or funds for the purposes established and shall be deposited in one or more bank accounts in an insured bank. The indenture agreements also require the hospital to comply with certain restrictive covenants including liquidity and tax requirements.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17. Guadalupe County Hospital (continued)

Hospital Note 6. Long-Term Obligations (continued)

The debt service requirements as of June 30, 2012, are as follows:

Year Ending June, 30	Total to be Paid	Principal	Interest
2013	74,302	14,599	59,703
2014	74,302	15,238	59,064
2015	74,302	15,905	58,397
2016	74,302	16,600	57,702
2017	74,302	17,327	56,975
2018-2022	371,508	98,690	272,818
2023-2027	371,508	122,252	249,256
2028-2032	371,508	151,439	220,069
2033-2037	371,508	187,595	183,913
2038-2042	371,508	232,382	139,126
2043-2047	371,508	287,863	83,645
2048-2050	<u>222,904</u>	<u>204,734</u>	<u>18,170</u>
	2,823,462	1,364,624	1,458,838

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 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, effective July 1, 2005. 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, 2012, were \$53,280 and \$25,120, respectively. Employee and employer contributions to the plan for the year ended June 30, 2011, were \$47,324 and \$24,094, 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

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17. Guadalupe County Hospital (continued)

Hospital Note 8. Commitments and Contingencies

Clinical Health (HITECH) Act, several of the HIPAA security and privacy requirements have been expanded, including business associates being subject to civil and criminal penalties and enforcement proceedings for violations of HIPAA. Management believes that the Hospital is in compliance with all applicable provisions of HIPAA and HITECH.

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

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

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 \$501,822 and \$440,339 in 2012 and 2011, 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 69% and 31%, 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 2012 were \$3,709,000 million, net of \$1,591,000 of matching funds contributed to the County. Total revenues for this program in 2011 were \$4.0 million, net of \$1,063,000 of matching funds contributed to the County.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17. Guadalupe County Hospital (continued)

Hospital Note 11. Related Party Transactions

The Hospital entered into the following related party transactions during the year ended June 30, 2012:

- 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 2012 and 2011 for these services was \$ 1,062,720 and \$ 698,516, 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 2012 and 2011 for the lease was \$11,618 and \$11,487, respectively. In addition, the Hospital began renting space to the Clinic during 2012. The revenue related to the rental agreement was approximately \$42,000.
- 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 2012 for these expenses was \$559.

Hospital Note 12. New Hospital Building Construction and Capital Contribution

The Hospital moved into a new facility on July 1, 2011. Prior to fiscal year 2012, the facility belonged to the County; therefore, the related assets were reported in the County's financial statements, and all construction costs funded by the Hospital were 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. In 2012, County management decided to transfer the new hospital facility assets and related debt to the Hospital. As such, new hospital assets of \$13,828,000 and \$1,365,000 of related debt were transferred in 2012 and are included in the Hospital's financial statements as of June 30, 2012.

(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

Correction Fee Fund – to account for funds that 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.

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).

SPECIAL REVENUE FUNDS

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

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

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

Recording and Filing Program – 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 Program – 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).

STATE OF NEW MEXICO
GUADALUPE COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Corrections Fund 201	Environmental Gross Receipts 202	County Property Valuation Fund 203	EMS Fund 206	E-911 Enhanced Fund 207	Farm and Range Fund 208
ASSETS						
<i>Current:</i>						
Cash and temporary investments	\$ 37,096	\$ 124,998	\$ 60,865	\$ 6,862	\$ -	\$ 498
Accounts receivable						
Property taxes	-	-	-	-	-	-
Intergovernmental	10,788	1,199	-	-	-	-
Other receivables	-	-	-	-	-	-
Prepaid insurance	-	-	-	-	-	-
Interfund balances	-	-	-	-	-	-
<i>Total current assets</i>	<u>\$ 47,884</u>	<u>\$ 126,197</u>	<u>\$ 60,865</u>	<u>\$ 6,862</u>	<u>\$ -</u>	<u>\$ 498</u>
LIABILITIES AND FUND BALANCE						
<i>Current Liabilities:</i>						
Accounts payable	\$ 13,172	\$ 8,656	\$ 586	\$ 72	\$ -	\$ -
Accrued payroll liabilities	-	566	54	-	-	-
Interfund balances	-	-	-	-	-	-
<i>Total current liabilities</i>	<u>13,172</u>	<u>9,222</u>	<u>640</u>	<u>72</u>	<u>-</u>	<u>-</u>
<i>Fund balance:</i>						
Nonspendable	-	-	-	-	-	-
Restricted	34,712	116,975	60,225	6,790	-	498
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
<i>Total fund balance</i>	<u>34,712</u>	<u>116,975</u>	<u>60,225</u>	<u>6,790</u>	<u>-</u>	<u>498</u>
<i>Total liabilities and fund balance</i>	<u>\$ 47,884</u>	<u>\$ 126,197</u>	<u>\$ 60,865</u>	<u>\$ 6,862</u>	<u>\$ -</u>	<u>\$ 498</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
\$ 6,790	\$ 31,857	\$ 2,215	\$ 2	\$ 746	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	5,758	-
-	-	-	-	-	-	-	-
1,477	1,707	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 8,267</u>	<u>\$ 33,564</u>	<u>\$ 2,215</u>	<u>\$ 2</u>	<u>\$ 746</u>	<u>\$ -</u>	<u>\$ 5,758</u>	<u>\$ -</u>
\$ 406	\$ 177	\$ -	\$ -	\$ -	\$ -	\$ 9,667	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>406</u>	<u>177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,667</u>	<u>-</u>
1,477	1,707	-	-	-	-	-	-
6,384	31,680	2,215	2	746	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(3,909)	-
<u>7,861</u>	<u>33,387</u>	<u>2,215</u>	<u>2</u>	<u>746</u>	<u>-</u>	<u>(3,909)</u>	<u>-</u>
<u>\$ 8,267</u>	<u>\$ 33,564</u>	<u>\$ 2,215</u>	<u>\$ 2</u>	<u>\$ 746</u>	<u>\$ -</u>	<u>\$ 5,758</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, 2012

	<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>
ASSETS				
Current:				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ 2,092
Accounts receivable				
Property taxes	-	-	-	-
Intergovernmental	-	-	5,758	-
Other receivables	-	-	-	-
Prepaid insurance	-	-	-	-
Due from other funds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total current assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,758</u>	<u>\$ 2,092</u>
LIABILITIES AND FUND BALANCE				
Current Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	152	184
Due to other funds	3	-	5,861	-
	<u>3</u>	<u>-</u>	<u>6,013</u>	<u>184</u>
<i>Total current liabilities</i>	<u>3</u>	<u>-</u>	<u>6,013</u>	<u>184</u>
Fund balance:				
Nonspendable	-	-	-	-
Restricted	-	-	-	1,908
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(3)	-	(255)	-
	<u>(3)</u>	<u>-</u>	<u>(255)</u>	<u>1,908</u>
<i>Total fund balance</i>	<u>(3)</u>	<u>-</u>	<u>(255)</u>	<u>1,908</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,758</u>	<u>\$ 2,092</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
\$ 2,427	\$ 1,399	\$ 24,970	\$ -	\$ -	\$ 230,824	\$ 533,641
-	-	-	-	-	-	-
-	-	-	-	-	-	23,503
-	-	-	-	-	-	-
-	-	-	-	-	-	3,184
-	-	-	-	-	-	-
<u>\$ 2,427</u>	<u>\$ 1,399</u>	<u>\$ 24,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,824</u>	<u>\$ 560,328</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,736
-	-	-	241	-	-	1,197
-	-	-	16,199	62,997	-	85,060
-	-	-	16,440	62,997	-	118,993
-	-	-	-	-	-	3,184
2,427	-	24,970	-	-	-	289,532
-	-	-	-	-	-	-
-	1,399	-	-	-	230,824	232,223
-	-	-	(16,440)	(62,997)	-	(83,604)
<u>2,427</u>	<u>1,399</u>	<u>24,970</u>	<u>(16,440)</u>	<u>(62,997)</u>	<u>230,824</u>	<u>441,335</u>
<u>\$ 2,427</u>	<u>\$ 1,399</u>	<u>\$ 24,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 230,824</u>	<u>\$ 560,328</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, 2012

	Corrections Fund 201	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	98,752	21,859	-	-	-	-
Other taxes	-	-	-	-	-	-
State grants	33,353	30,909	-	5,094	113,855	-
Federal grants	-	-	-	-	-	6,899
Licenses and fees	-	-	37,587	-	-	-
Charges for services	157,825	104,201	-	-	-	-
Investment income	-	323	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<i>Total revenues</i>	<u>289,930</u>	<u>157,292</u>	<u>37,587</u>	<u>5,094</u>	<u>113,855</u>	<u>6,899</u>
<i>Expenditures:</i>						
<i>Current</i>						
General Government	-	-	14,248	-	-	-
Public safety	373,929	-	-	2,343	113,855	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	33,500
Public works	-	208,708	-	-	-	-
Capital outlay	-	-	-	-	-	-
<i>Debt service</i>						
Principal	13,571	-	-	-	-	-
Interest	-	-	-	-	-	-
<i>Total expenditures</i>	<u>387,500</u>	<u>208,708</u>	<u>14,248</u>	<u>2,343</u>	<u>113,855</u>	<u>33,500</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(97,570)</u>	<u>(51,416)</u>	<u>23,339</u>	<u>2,751</u>	<u>-</u>	<u>(26,601)</u>
<i>Other financing sources (uses):</i>						
Proceeds from note payable	-	-	-	-	-	-
Operating transfers in	-	75,584	-	-	-	27,099
Operating transfers (out)	-	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>75,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,099</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	<u>(97,570)</u>	<u>24,168</u>	<u>23,339</u>	<u>2,751</u>	<u>-</u>	<u>498</u>
<i>Fund balances - beginning of year</i>	<u>132,282</u>	<u>92,807</u>	<u>36,886</u>	<u>4,039</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 34,712</u>	<u>\$ 116,975</u>	<u>\$ 60,225</u>	<u>\$ 6,790</u>	<u>\$ -</u>	<u>\$ 498</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
56,303	49,326	-	22,400	-	-	122,091	-
-	-	-	-	-	-	-	-
-	1,200	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	7,567	-	-	-	-
<u>56,303</u>	<u>50,526</u>	<u>-</u>	<u>29,967</u>	<u>-</u>	<u>-</u>	<u>122,091</u>	<u>-</u>
-	-	-	-	-	-	-	-
45,891	30,215	-	5,528	-	-	-	-
-	-	-	-	13,254	-	-	-
-	-	-	-	-	-	125,334	-
-	-	-	-	-	-	-	-
-	-	-	7,566	-	-	-	-
11,580	9,844	-	16,875	-	-	-	-
-	-	-	-	-	-	-	-
<u>57,471</u>	<u>40,059</u>	<u>-</u>	<u>29,969</u>	<u>13,254</u>	<u>-</u>	<u>125,334</u>	<u>-</u>
(1,168)	10,467	-	(2)	(13,254)	-	(3,243)	-
-	-	-	-	-	-	-	-
-	-	-	-	13,888	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	13,888	-	-	-
(1,168)	10,467	-	(2)	634	-	(3,243)	-
9,029	22,920	2,215	4	112	-	(666)	-
<u>\$ 7,861</u>	<u>\$ 33,387</u>	<u>\$ 2,215</u>	<u>\$ 2</u>	<u>\$ 746</u>	<u>\$ -</u>	<u>\$ (3,909)</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, 2012

	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	60,987	3,979	54,909	61,388
Federal grants	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>60,987</u>	<u>3,979</u>	<u>54,909</u>	<u>61,388</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	56,715	60,356
Culture and recreation	-	-	-	-
Health and welfare	2,680	3,979	-	-
Public works	-	-	-	-
Capital outlay	87,092	16,039	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>89,772</u>	<u>20,018</u>	<u>56,715</u>	<u>60,356</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(28,785)</u>	<u>(16,039)</u>	<u>(1,806)</u>	<u>1,032</u>
<i>Other financing sources (uses):</i>				
Proceeds from note payable	-	-	-	-
Operating transfers in (out)	28,782	-	-	-
Operating transfers in (out)	-	(332)	-	-
<i>Total other financing sources (uses)</i>	<u>28,782</u>	<u>(332)</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures</i>	(3)	(16,371)	(1,806)	1,032
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>16,371</u>	<u>1,551</u>	<u>876</u>
<i>Fund balances - end of year</i>	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ (255)</u>	<u>\$ 1,908</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	120,611
-	-	-	-	-	-	-
-	-	-	22,761	-	-	637,355
-	-	-	-	134,674	-	141,573
-	-	5,428	-	-	-	43,015
2,280	-	-	-	-	-	265,506
-	-	-	-	-	-	323
-	959	-	-	-	136,568	145,094
<u>2,280</u>	<u>959</u>	<u>5,428</u>	<u>22,761</u>	<u>134,674</u>	<u>136,568</u>	<u>136,568</u>
-	-	5,814	-	-	-	20,062
2,003	32	-	61,456	61,282	-	813,605
-	-	-	-	-	-	13,254
-	-	-	-	-	-	165,493
-	-	-	-	-	2,250	210,958
-	-	789	-	136,389	-	247,875
-	-	-	-	-	-	51,870
-	-	-	-	-	-	-
<u>2,003</u>	<u>32</u>	<u>6,603</u>	<u>61,456</u>	<u>197,671</u>	<u>2,250</u>	<u>1,523,117</u>
<u>277</u>	<u>927</u>	<u>(1,175)</u>	<u>(38,695)</u>	<u>(62,997)</u>	<u>134,318</u>	<u>(169,640)</u>
-	-	-	-	-	-	-
-	-	-	31,161	-	-	176,514
-	-	-	-	-	(52,942)	(53,274)
-	-	-	31,161	-	(52,942)	(52,942)
277	927	(1,175)	(7,534)	(62,997)	81,376	81,376
<u>2,150</u>	<u>472</u>	<u>26,145</u>	<u>(8,906)</u>	<u>-</u>	<u>149,448</u>	<u>487,735</u>
<u>\$ 2,427</u>	<u>\$ 1,399</u>	<u>\$ 24,970</u>	<u>\$ (16,440)</u>	<u>\$ (62,997)</u>	<u>\$ 230,824</u>	<u>\$ 230,824</u>

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

STATE OF NEW MEXICO

Statement B-3

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 120,000	\$ 120,000	\$ 113,340	\$ (6,660)
Intergovernmental	20,000	20,000	32,847	12,847
Licenses and fees	-	-	-	-
Charges for services	175,000	175,000	187,501	12,501
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>315,000</u>	<u>315,000</u>	<u>333,688</u>	<u>18,688</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	392,893	392,893	378,971	13,922
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	13,572	13,572	13,571	1
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>406,465</u>	<u>406,465</u>	<u>392,542</u>	<u>13,923</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(91,465)</u>	<u>(91,465)</u>	<u>(58,854)</u>	<u>32,611</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	91,465	91,465	-	(91,465)
<i>Total other financing sources (uses)</i>	<u>91,465</u>	<u>91,465</u>	<u>-</u>	<u>(91,465)</u>
<i>Net change in fund balances</i>	-	-	(58,854)	(58,854)
<i>Fund balances - beginning of year</i>	-	-	95,950	95,950
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,096</u>	<u>\$ 37,096</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(43,758)	
Expenditure accruals			5,042	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			<u>\$ (97,570)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-4

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 20,000	\$ 20,000	\$ 25,286	\$ 5,286
Intergovernmental	-	-	30,909	30,909
Licenses and fees	-	-	-	-
Charges for services	116,000	116,000	104,201	(11,799)
Investment income	-	-	323	323
Miscellaneous	-	-	-	-
<i>Total revenues</i>	136,000	136,000	160,719	24,719
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	217,364	217,364	208,208	9,156
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	217,364	217,364	208,208	9,156
<i>Excess (deficiency) of revenues over expenditures</i>	(81,364)	(81,364)	(47,489)	33,875
<i>Other financing sources (uses):</i>				
Operating transfers in	75,584	75,584	75,584	-
Operating transfers (out)	-	-	-	-
Designated cash	5,780	5,780	-	(5,780)
<i>Total other financing sources (uses)</i>	81,364	81,364	75,584	(5,780)
<i>Net change in fund balances</i>	-	-	28,095	28,095
<i>Fund balances - beginning of year</i>	-	-	96,903	96,903
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 124,998	\$ 124,998
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(3,427)	
Expenditure accruals			(500)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 24,168	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-5

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	25,000	25,000	37,587	12,587
Charges for services	1,000	1,000	-	(1,000)
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>26,000</u>	<u>26,000</u>	<u>37,587</u>	<u>11,587</u>
<i>Expenditures:</i>				
Current				
General Government	48,068	48,068	13,671	34,397
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>	<u>53,068</u>	<u>53,068</u>	<u>13,671</u>	<u>39,397</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(27,068)</u>	<u>(27,068)</u>	<u>23,916</u>	<u>50,984</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	27,068	27,068	-	(27,068)
<i>Total other financing sources (uses)</i>	<u>27,068</u>	<u>27,068</u>	<u>-</u>	<u>(27,068)</u>
<i>Net change in fund balances</i>	-	-	23,916	23,916
<i>Fund balances - beginning of year</i>	-	-	36,949	36,949
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,865</u>	<u>\$ 60,865</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(577)	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			<u>\$ 23,339</u>	

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

STATE OF NEW MEXICO

Statement B-6

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,094	5,094	5,094	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,094</u>	<u>5,094</u>	<u>5,094</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	9,133	9,133	2,271	6,862
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>9,133</u>	<u>9,133</u>	<u>2,271</u>	<u>6,862</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4,039)</u>	<u>(4,039)</u>	<u>2,823</u>	<u>6,862</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	4,039	4,039	-	(4,039)
<i>Total other financing sources (uses)</i>	<u>4,039</u>	<u>4,039</u>	<u>-</u>	<u>(4,039)</u>
<i>Net change in fund balances</i>	-	-	2,823	2,823
<i>Fund balances - beginning of year</i>	-	-	4,039	4,039
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,862</u>	<u>\$ 6,862</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(72)	
<i>Excess (deficiency) of revenues and other sources over expenditures (GAAP Basis)</i>			<u>\$ 2,751</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-7

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	641,652	641,652	113,855	(527,797)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	641,652	641,652	113,855	(527,797)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	631,652	631,652	113,855	517,797
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	10,000	10,000	-	10,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	641,652	641,652	113,855	527,797
<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			-	
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

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,400	6,400	6,899	499
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	6,400	6,400	6,899	499
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	33,500	33,500	33,500	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	33,500	33,500	33,500	-
<i>Excess (deficiency) of revenues over expenditures</i>	(27,100)	(27,100)	(26,601)	499
<i>Other financing sources (uses):</i>				
Operating transfers in	27,100	27,100	27,099	(1)
Operating transfers (out)	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	27,100	27,100	27,099	(1)
<i>Net change in fund balances</i>	-	-	498	498
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 498	\$ 498
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 498	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-9

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	57,598	59,373	56,303	(3,070)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	57,598	59,373	56,303	(3,070)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	50,540	62,565	47,217	15,348
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	10,268	18	-	18
Debt service				
Principal	6,074	6,074	11,580	(5,506)
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	66,882	68,657	58,797	9,860
<i>Excess (deficiency) of revenues over expenditures</i>	(9,284)	(9,284)	(2,494)	6,790
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	9,284	9,284	-	(9,284)
<i>Total other financing sources (uses)</i>	9,284	9,284	-	(9,284)
<i>Net change in fund balances</i>	-	-	(2,494)	(2,494)
<i>Fund balances - beginning of year</i>	-	-	9,284	9,284
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 6,790	\$ 6,790
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			1,326	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (1,168)	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-10

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	49,326	49,326	49,326	-
Licenses and fees	-	-	-	-
Charges for services	-	1,200	1,200	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	49,326	50,526	50,526	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	51,511	53,735	32,136	21,599
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	9,004	7,980	-	7,980
Debt service				
Principal	12,122	12,122	9,844	2,278
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	72,637	73,837	41,980	31,857
<i>Excess (deficiency) of revenues over expenditures</i>	(23,311)	(23,311)	8,546	31,857
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	23,311	23,311	-	(23,311)
<i>Total other financing sources (uses)</i>	23,311	23,311	-	(23,311)
<i>Net change in fund balances</i>	-	-	8,546	8,546
<i>Fund balances - beginning of year</i>	-	-	23,311	23,311
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 31,857	\$ 31,857
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			1,921	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 10,467	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-11

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, 2012

	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-12

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	22,400	22,400	22,400	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	7,566	7,567	1
<i>Total revenues</i>	<u>22,400</u>	<u>29,966</u>	<u>29,967</u>	<u>1</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	5,558	5,558	5,528	30
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	7,566	7,566	-
Debt service				
Principal	16,846	16,846	16,875	(29)
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>22,404</u>	<u>29,970</u>	<u>29,969</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(4)</u>	<u>(4)</u>	<u>(2)</u>	<u>2</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	4	4	-	(4)
<i>Total other financing sources (uses)</i>	<u>4</u>	<u>4</u>	<u>-</u>	<u>(4)</u>
<i>Net change in fund balances</i>	-	-	(2)	(2)
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</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>\$ (2)</u>	

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

STATE OF NEW MEXICO

Statement B-13

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, 2012

	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>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	14,000	14,000	13,254	746
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>14,000</u>	<u>14,000</u>	<u>13,254</u>	<u>746</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(14,000)</u>	<u>(14,000)</u>	<u>(13,254)</u>	<u>746</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	13,888	13,888	13,888	-
Operating transfers (out)	-	-	-	-
Designated cash	112	112	-	(112)
<i>Total other financing sources (uses)</i>	<u>14,000</u>	<u>14,000</u>	<u>13,888</u>	<u>(112)</u>
<i>Net change in fund balances</i>	-	-	634	634
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>112</u>	<u>112</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 746</u>	<u>\$ 746</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>\$ 634</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-14

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, 2012

	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)	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ -	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-15

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	137,666	137,666	127,000	(10,666)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>137,666</u>	<u>137,666</u>	<u>127,000</u>	<u>(10,666)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	137,666	137,666	127,000	10,666
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>137,666</u>	<u>137,666</u>	<u>127,000</u>	<u>10,666</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			(4,909)	
Expenditure accruals			<u>1,666</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (3,243)</u>	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-16

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, 2012

	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)	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	-	-	-	-
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ -	\$ -
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
GUADALUPE COUNTY

Statement B-17

LA LOMA SENIOR CENTER - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	51,001	61,001	60,987	(14)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	51,001	61,001	60,987	(14)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	5,100	5,100	2,680	2,420
Public works	-	-	-	-
Capital outlay	45,900	84,682	87,092	(2,410)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	51,000	89,782	89,772	10
<i>Excess (deficiency) of revenues over expenditures</i>	1	(28,781)	(28,785)	(4)
<i>Other financing sources (uses):</i>				
Operating transfers in	-	28,782	28,782	-
Operating transfers (out)	-	-	-	-
Designated cash	(1)	(1)	-	1
<i>Total other financing sources (uses)</i>	(1)	28,781	28,782	1
<i>Net change in fund balances</i>	-	-	(3)	(3)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (3)	\$ (3)
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (3)	Statement B-18

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	0	3,980	3,979	(1)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	-	3,980	3,979	(1)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	3,980	3,979	1
Public works	-	-	-	-
Capital outlay	16,040	16,040	16,039	1
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	16,040	20,020	20,018	2
<i>Excess (deficiency) of revenues over expenditures</i>	(16,040)	(16,040)	(16,039)	1
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	(332)	(332)
Designated cash	16,040	16,040	-	(16,040)
<i>Total other financing sources (uses)</i>	16,040	16,040	(332)	(16,372)
<i>Net change in fund balances</i>	-	-	(16,371)	(16,371)
<i>Fund balances - beginning of year</i>	-	-	16,371	16,371
<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>			\$ (16,371)	Statement B-19

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

STATE OF NEW MEXICO
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	68,397	68,397	62,549	(5,848)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	68,397	68,397	62,549	(5,848)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	56,563	56,563	56,563	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	56,563	56,563	56,563	-
<i>Excess (deficiency) of revenues over expenditures</i>	11,834	11,834	5,986	(5,848)
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	(11,834)	(11,834)	-	11,834
<i>Total other financing sources (uses)</i>	(11,834)	(11,834)	-	11,834
<i>Net change in fund balances</i>	-	-	5,986	5,986
<i>Fund balances - beginning of year</i>	-	-	(11,847)	(11,847)
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (5,861)	\$ (5,861)
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			(7,640)	
Expenditure accruals			(152)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (1,806)	Statement B-20

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
DWI DISTRIBUTION - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (NON - GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	60,000	60,000	61,388	1,388
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	60,000	60,000	61,388	1,388
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	60,876	60,876	60,172	704
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	60,876	60,876	60,172	704
<i>Excess (deficiency) of revenues over expenditures</i>	(876)	(876)	1,216	2,092
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	876	876	-	(876)
<i>Total other financing sources (uses)</i>	876	876	-	(876)
<i>Net change in fund balances</i>	-	-	1,216	1,216
<i>Fund balances - beginning of year</i>	-	-	876	876
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,092	\$ 2,092
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			(184)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 1,032	Statement B-21

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	2,000	2,000	2,280	280
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	2,000	2,000	2,280	280
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	4,150	4,150	2,003	2,147
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	4,150	4,150	2,003	2,147
<i>Excess (deficiency) of revenues over expenditures</i>	(2,150)	(2,150)	277	2,427
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	2,150	2,150	-	(2,150)
<i>Total other financing sources (uses)</i>	2,150	2,150	-	(2,150)
<i>Net change in fund balances</i>	-	-	277	277
<i>Fund balances - beginning of year</i>	-	-	2,150	2,150
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 2,427	\$ 2,427
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 277	Statement B-22

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

STATE OF NEW MEXICO
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	200	200	959	759
<i>Total revenues</i>	200	200	959	759
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	672	672	32	640
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	672	672	32	640
<i>Excess (deficiency) of revenues over expenditures</i>	(472)	(472)	927	1,399
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	472	472	-	(472)
<i>Total other financing sources (uses)</i>	472	472	-	(472)
<i>Net change in fund balances</i>	-	-	927	927
<i>Fund balances - beginning of year</i>	-	-	472	472
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 1,399	\$ 1,399
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 927	Statement B-23

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	6,000	6,000	5,428	(572)
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	6,000	6,000	5,428	(572)
<i>Expenditures:</i>				
Current				
General Government	23,545	24,545	5,814	18,731
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	8,600	7,600	789	6,811
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	32,145	32,145	6,603	25,542
<i>Excess (deficiency) of revenues over expenditures</i>	(26,145)	(26,145)	(1,175)	24,970
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	26,145	26,145	-	(26,145)
<i>Total other financing sources (uses)</i>	26,145	26,145	-	(26,145)
<i>Net change in fund balances</i>	-	-	(1,175)	(1,175)
<i>Fund balances - beginning of year</i>	-	-	26,145	26,145
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 24,970	\$ 24,970
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (1,175)	Statement B-24

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	46,204	108,526	22,761	(85,765)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>46,204</u>	<u>108,526</u>	<u>22,761</u>	<u>(85,765)</u>
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	39,170	101,492	63,087	38,405
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>39,170</u>	<u>101,492</u>	<u>63,087</u>	<u>38,405</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>7,034</u>	<u>7,034</u>	<u>(40,326)</u>	<u>(47,360)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	31,161	31,161	-
Operating transfers (out)	-	-	-	-
Designated cash	(7,034)	(38,195)	-	38,195
<i>Total other financing sources (uses)</i>	<u>(7,034)</u>	<u>(7,034)</u>	<u>31,161</u>	<u>38,195</u>
<i>Net change in fund balances</i>	-	-	(9,165)	(9,165)
<i>Fund balances - beginning of year</i>	-	-	(7,034)	(7,034)
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,199)</u>	<u>\$ (16,199)</u>
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			<u>1,631</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (7,534)</u>	Statement B-25

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	272,706	272,706	134,674	(138,032)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	272,706	272,706	134,674	(138,032)
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	117,706	117,706	61,282	56,424
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	155,000	155,000	136,389	18,611
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	272,706	272,706	197,671	75,035
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(62,997)	(62,997)
<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>	-	-	(62,997)	(62,997)
<i>Fund balances - beginning of year</i>	-	-	-	-
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ (62,997)	\$ (62,997)
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (62,997)	Statement B-26

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

STATE OF NEW MEXICO
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, 2012

	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>	136,568	136,568	136,568	-
<i>Expenditures:</i>				
Current				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	62,754	62,754	2,250	60,504
Capital outlay	223,262	170,320	-	170,320
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	286,016	233,074	2,250	230,824
<i>Excess (deficiency) of revenues over expenditures</i>	(149,448)	(96,506)	134,318	230,824
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(52,942)	(52,942)	-
Designated cash	149,448	149,448	-	(149,448)
<i>Total other financing sources (uses)</i>	149,448	96,506	(52,942)	(149,448)
<i>Net change in fund balances</i>	-	-	81,376	81,376
<i>Fund balances - beginning of year</i>	-	-	149,448	149,448
<i>Fund balances - end of year</i>	\$ -	\$ -	\$ 230,824	\$ 230,824
<i>Reconciliation to GAAP Basis:</i>				
Revenue accruals			-	
Expenditure accruals			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ 81,376	Statement B-27

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

(This page intentionally left blank.)

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 331,000	\$ 331,000	396,741	\$ 65,741
Intergovernmental	1,211,790	2,113,025	3,004,999	891,974
Licenses and fees	-	-	-	-
Charges for services	218,500	227,000	260,759	33,759
Investment income	-	-	-	-
Miscellaneous	700	700	935	235
<i>Total revenues</i>	<u>1,761,990</u>	<u>2,671,725</u>	<u>3,663,434</u>	<u>991,709</u>
<i>Expenditures:</i>				
<i>Current</i>				
General Government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	987,313	1,038,755	624,070	414,685
Capital outlay	1,685,353	2,338,848	869,948	1,468,900
<i>Debt service</i>				
Principal	158,316	252,988	2,269,900	(2,016,912)
Interest	32,482	156,768	175,785	(19,017)
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>2,863,464</u>	<u>3,787,359</u>	<u>3,939,703</u>	<u>(152,344)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,101,474)</u>	<u>(1,115,634)</u>	<u>(276,269)</u>	<u>839,365</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	132,942	132,942	132,942	-
Operating transfers (out)	(194,366)	(194,366)	(194,366)	-
Bond proceeds	611,563	611,563	261,563	(350,000)
Designated cash	551,335	565,495	-	(565,495)
<i>Total other financing sources (uses)</i>	<u>1,101,474</u>	<u>1,115,634</u>	<u>200,139</u>	<u>(915,495)</u>
<i>Net change in fund balances</i>	-	-	(76,130)	(76,130)
<i>Fund balances - beginning of year</i>	-	-	620,229	620,229
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 544,099</u>	<u>\$ 544,099</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			9,288	
Adjustments to expenditures (liabilities)			<u>271,360</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 204,518</u>	

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

(This page intentionally left blank.)

FIDUCIARY FUNDS

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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2012

Statement D-1

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
ASSETS				
Cash	\$ 143,083	\$ 200,450	\$ 343,533	\$ -
Property taxes recievable	559,615	3,323,880	3,478,737	404,758
<i>Total assets</i>	\$ 702,698	\$ 3,524,330	\$ 3,822,270	\$ 404,758
 LIABILITIES				
Due to other taxing units	\$ 702,698	\$ 3,524,330	\$ 3,822,270	\$ 404,758
<i>Total liabilities</i>	\$ 702,698	\$ 3,524,330	\$ 3,822,270	\$ 404,758

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

(This page intentionally left blank.)

SUPPORTING SCHEDULES

(This page intentionally left blank.)

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY
FOR PUBLIC FUNDS
JUNE 30, 2012

Schedule I

Name of Depository	Description of Pledged Collateral	Fair Market Value June 30, 2012	Name and Location of Safekeeper
Wells Fargo Bank	FN AH1560 4.000% 1/1/2041	\$ 4,640	Wells Fargo Bank, N.A. WF Northwest
Wells Fargo Bank	FN AH6292 4.5% 4/1/2041	12,856	Wells Fargo Bank, N.A. WF Northwest
Wells Fargo Bank	FN AH8121 3.5% 3/1/2041	45,107	Wells Fargo Bank, N.A. WF Northwest
Wells Fargo Bank	FN AJ3038 4.000% 10/1/2041	424,956	Wells Fargo Bank, N.A. WF Northwest
Wells Fargo Bank	FN MA1027 3.5% 4/1/2042	20,977	Wells Fargo Bank, N.A. WF Northwest
Total Pledged Collateral		<u>\$ 508,536</u>	

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

(This page intentionally left blank.)

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2012

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>NMFA Bank</u>	<u>NM State Treasurer</u>	<u>Totals</u>
Checking - Operational Accounts	\$ 1,389,253	\$ 217,568	\$ 143,261	\$ -	\$ -	\$ 1,750,082
Checking - Deferred Comp Account	24,809	-	-	-	-	24,809
Checking - PBL Public Safety Bldg.	453	-	-	-	-	453
Trust - Courthouse Reserve	-	-	-	48,038	-	48,038
Trust - Guadalupe County PG Reserv	-	-	-	73,712	-	73,712
Trust - Road/Solidwaste Reserve	-	-	-	6	-	6
Certificates of Deposit	714,294	101,507	-	-	-	815,801
State Treasurer Investments	-	-	-	-	142	142
Total On Deposit	2,128,809	319,075	143,261	121,756	142	2,713,043
Reconciling Items	(138,323)	-	-	-	-	(138,323)
Reconciled Balance June 30, 2012	<u>\$ 1,990,486</u>	<u>\$ 319,075</u>	<u>\$ 143,261</u>	<u>\$ 121,756</u>	<u>\$ 142</u>	<u>\$ 2,574,720</u>
Petty Cash						<u>445</u>
Combined Balance Sheet Total June 30, 2012						<u>\$ 2,575,165</u>

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

(This page intentionally left blank.)

STATE OF NEW MEXICO
GUADALUPE COUNTY

Schedule III

TAX ROLL RECONCILIATION - CHANGES IN PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2012

Property taxes receivable, beginning of year	\$	821,533
Changes to Tax Roll:		
Net taxes charged to treasurer for fiscal year		3,323,880
Adjustments:		
Increases in taxes receivables		13,824
Charge off of taxes receivables		<u>(40,283)</u>
Total receivables prior to collections		4,118,954
Collections for fiscal year ended June 30, 2012		<u>(3,524,330)</u>
Property taxes receivable, end of year	\$	<u>594,624</u>
Property taxes receivable by years:		
2001	\$	23,992
2002		8,008
2003		70,847
2004		67,180
2005		17,590
2006		25,241
2007		24,268
2008		43,519
2009		88,257
2010		<u>225,722</u>
Total taxes receivable	\$	<u>594,624</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, 2012

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									
Guadalupe County 2002	911,555	35	907,813	35	907,813	-	-	-	3,742
Guadalupe County 2003	923,613	328	921,151	328	921,151	-	-	-	2,462
Guadalupe County 2004	1,009,603	312	989,083	312	989,083	-	-	-	20,520
Guadalupe County 2005	1,050,858	196	1,029,628	196	1,029,628	-	-	-	21,230
Guadalupe County 2006	983,467	755	978,635	755	978,635	-	-	-	4,832
Guadalupe County 2007	1,051,951	18,570	1,043,502	18,570	1,043,502	-	-	-	8,449
Guadalupe County 2008	1,064,314	24,579	1,055,465	24,579	1,055,465	-	-	-	8,849
Guadalupe County 2009	1,175,227	27,717	1,162,677	27,717	1,162,677	-	-	-	12,550
Guadalupe County 2010	1,181,011	66,690	1,151,793	66,690	1,151,793	-	-	-	29,218
Guadalupe County 2011	1,251,137	1,173,847	1,173,847	1,173,847	1,173,847	-	-	-	77,290
Total Guadalupe County	10,602,736	1,313,029	10,413,594	1,313,029	10,413,594	-	-	-	189,142
Administrative Fees 2002	350	-	350	-	350	-	-	-	-
Administrative Fees 2003	237	(1)	241	(1)	241	-	-	-	(4)
Administrative Fees 2004	1,015	2	910	2	910	-	-	-	105
Administrative Fees 2005	263	-	269	-	269	-	-	-	(6)
Administrative Fees 2006	263	1	259	1	259	-	-	-	4
Administrative Fees 2007	288	5	285	5	285	-	-	-	3
Administrative Fees 2008	301	15	296	15	296	-	-	-	5
Administrative Fees 2009	269	18	260	18	260	-	-	-	9
Administrative Fees 2010	272	27	260	27	260	-	-	-	12
Administrative Fees 2011	292	262	262	262	262	-	-	-	30
Total Administrative Fees	3,550	329	3,392	329	3,392	-	-	-	158
Omitted Assessments Fee 2002	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2003	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2004	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2005	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2006	-	(2)	14	-	14	-	-	-	(14)
Omitted Assessments Fee 2007	350	227	246	-	246	-	-	-	104
Omitted Assessments Fee 2008	645	155	589	-	589	-	-	-	56
Omitted Assessments Fee 2009	2,051	944	1,623	-	1,623	-	-	-	428
Omitted Assessments Fee 2010	-	(17)	8	-	8	-	-	-	(8)
Omitted Assessments Fee 2011	-	-	-	647	-	-	-	-	-
Total Omitted Assessments Fee	3,046	1,307	2,480	647	2,480	-	-	-	566

State of New Mexico - Guadalupe County
 Tax Reconciliation - Collections and Distributions
 For the Year Ended June 30, 2012

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 2002	360,820	36	357,003	18	357,003	-	-	-	3,817
Guadalupe County Hospital 2003	363,362	146	362,271	146	362,271	-	-	-	1,091
Guadalupe County Hospital 2004	395,792	119	387,959	119	387,959	-	-	-	7,833
Guadalupe County Hospital 2005	412,145	73	404,239	73	404,239	-	-	-	7,906
Guadalupe County Hospital 2006	386,745	332	384,624	332	384,624	-	-	-	2,121
Guadalupe County Hospital 2007	411,873	7,285	408,559	7,285	408,559	-	-	-	3,314
Guadalupe County Hospital 2008	412,793	9,508	409,370	9,508	409,370	-	-	-	3,423
Guadalupe County Hospital 2009	455,385	12,040	449,933	12,040	449,933	-	-	-	5,452
Guadalupe County Hospital 2010	455,036	26,840	443,276	26,840	443,276	-	-	-	11,760
Guadalupe County Hospital 2011	481,486	448,889	448,889	448,889	448,889	-	-	-	32,597
Total Guadalupe County Hospital	4,135,437	505,268	4,056,123	505,250	4,056,123	-	-	-	79,314
Total Guadalupe County	14,744,769	1,819,933	14,475,589	1,819,255	14,475,589	-	-	-	269,180
State of New Mexico									
New Mexico State Treasurers 2002	132,790	61	126,310	61	126,310	-	-	-	6,480
New Mexico State Treasurers 2003	164,727	81	164,120	81	164,120	-	-	-	607
New Mexico State Treasurers 2004	127,807	49	124,558	49	124,558	-	-	-	3,249
New Mexico State Treasurers 2005	162,228	30	158,939	30	158,939	-	-	-	3,289
New Mexico State Treasurers 2006	159,570	350	157,333	350	157,333	-	-	-	2,237
New Mexico State Treasurers 2007	167,113	4,383	165,119	4,383	165,119	-	-	-	1,994
New Mexico State Treasurers 2008	158,496	3,852	157,109	3,852	157,109	-	-	-	1,387
New Mexico State Treasurers 2009	159,369	4,354	157,397	4,354	157,397	-	-	-	1,972
New Mexico State Treasurers 2010	198,680	11,009	193,857	11,009	193,857	-	-	-	4,823
New Mexico State Treasurers 2011	197,535	183,256	183,256	183,256	183,256	-	-	-	14,279
Total New Mexico State Treasurers	1,628,315	207,425	1,587,998	207,425	1,587,998	-	-	-	40,317
Total State of New Mexico	1,628,315	207,425	1,587,998	207,425	1,587,998	-	-	-	40,317
Municipalities									
Municipality of Santa Rosa 2002	164,346	4	163,919	4	163,919	-	-	-	427
Municipality of Santa Rosa 2003	170,786	50	170,414	50	170,414	-	-	-	372
Municipality of Santa Rosa 2004	179,892	14	178,946	14	178,946	-	-	-	946
Municipality of Santa Rosa 2005	197,602	85	188,421	85	188,421	-	-	-	9,181
Municipality of Santa Rosa 2006	177,615	124	176,818	124	176,818	-	-	-	797
Municipality of Santa Rosa 2007	183,574	1,147	183,053	1,147	183,053	-	-	-	521
Municipality of Santa Rosa 2008	191,814	5,915	189,684	5,915	189,684	-	-	-	2,130
Municipality of Santa Rosa 2009	207,894	10,881	202,967	10,881	202,967	-	-	-	4,927
Municipality of Santa Rosa 2010	206,069	16,004	199,057	16,004	199,057	-	-	-	7,012
Municipality of Santa Rosa 2011	213,472	194,371	194,371	194,371	194,371	-	-	-	19,101
Total Municipality of Santa Rosa	1,893,064	228,595	1,847,650	228,595	1,847,650	-	-	-	45,414

State of New Mexico - Guadalupe County
 Tax Reconciliation - Collections and Distributions
 For the Year Ended June 30, 2012

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 2002	43,898	(26)	46,617	(26)	46,617	-	-	-	(2,719)
Municipality of Vaughn 2003	46,231	1	46,222	1	46,222	-	-	-	9
Municipality of Vaughn 2004	46,998	1	46,913	1	46,913	-	-	-	85
Municipality of Vaughn 2005	48,142	-	48,165	-	48,165	-	-	-	(23)
Municipality of Vaughn 2006	47,236	16	47,133	16	47,133	-	-	-	103
Municipality of Vaughn 2007	46,892	120	46,838	120	46,838	-	-	-	54
Municipality of Vaughn 2008	46,890	684	46,644	684	46,644	-	-	-	246
Municipality of Vaughn 2009	48,101	1,468	47,436	1,468	47,436	-	-	-	665
Municipality of Vaughn 2010	46,920	4,425	44,982	4,425	44,982	-	-	-	1,938
Municipality of Vaughn 2011	49,516	42,771	42,771	42,771	42,771	-	-	-	6,745
Total Municipality of Vaughn	470,824	49,460	463,721	49,460	463,721	-	-	-	7,103
Total Municipalities	2,363,888	278,055	2,311,371	278,055	2,311,371	-	-	-	52,517
School District									
Santa Rosa Consolidated School #8 2002	669,582	93	659,667	93	659,667	-	-	-	9,915
Santa Rosa Consolidated School #8 2003	678,792	323	676,367	323	676,367	-	-	-	2,425
Santa Rosa Consolidated School #8 2004	721,332	76	716,363	76	716,363	-	-	-	4,969
Santa Rosa Consolidated School #8 2005	783,498	209	760,803	209	760,803	-	-	-	22,695
Santa Rosa Consolidated School #8 2006	845,824	896	840,086	896	840,086	-	-	-	5,738
Santa Rosa Consolidated School #8 2007	799,040	26,181	787,127	26,181	787,127	-	-	-	11,913
Santa Rosa Consolidated School #8 2008	512,691	14,950	507,308	14,950	507,308	-	-	-	5,383
Santa Rosa Consolidated School #8 2009	849,315	32,360	834,662	32,360	834,662	-	-	-	14,653
Santa Rosa Consolidated School #8 2010	791,257	53,625	767,763	53,625	767,763	-	-	-	23,494
Santa Rosa Consolidated School #8 2011	648,557	602,501	602,501	602,501	602,501	-	-	-	46,056
Total Santa Rosa Consolidated School #8	7,299,888	731,214	7,152,647	731,214	7,152,647	-	-	-	147,241
Vaughn Municipal School #33 2002	129,113	(4)	129,560	(4)	129,560	-	-	-	(447)
Vaughn Municipal School #33 2003	167,310	34	167,053	34	167,053	-	-	-	257
Vaughn Municipal School #33 2004	182,467	461	152,195	461	152,195	-	-	-	30,272
Vaughn Municipal School #33 2005	169,746	(29)	172,853	(29)	172,853	-	-	-	(3,107)
Vaughn Municipal School #33 2006	186,154	34	185,938	34	185,938	-	-	-	216
Vaughn Municipal School #33 2007	127,567	(8,467)	131,419	(8,467)	131,419	-	-	-	(3,852)
Vaughn Municipal School #33 2008	172,585	469	172,416	469	172,416	-	-	-	169
Vaughn Municipal School #33 2009	176,320	(2,650)	177,520	(2,650)	177,520	-	-	-	(1,200)
Vaughn Municipal School #33 2010	179,046	5,141	176,793	5,141	176,793	-	-	-	2,253
Vaughn Municipal School #33 2011	197,799	186,844	186,844	186,844	186,844	-	-	-	10,955
Total Vaughn Municipal School #33	1,688,107	181,833	1,652,591	181,833	1,652,591	-	-	-	35,516
Total School District	8,987,995	913,047	8,805,238	913,047	8,805,238	-	-	-	182,757

State of New Mexico - Guadalupe County
 Tax Reconciliation - Collections and Distributions
 For the Year Ended June 30, 2012

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
Special District									
Luna Vocational Technical Institute 2002	175,579	24	173,046	24	173,046	-	-	-	2,533
Luna Vocational Technical Institute 2003	180,318	75	179,753	75	179,753	-	-	-	565
Luna Vocational Technical Institute 2004	204,010	21	202,645	21	202,645	-	-	-	1,365
Luna Community College 2005	212,250	57	206,123	57	206,123	-	-	-	6,127
Luna Community College 2006	193,819	190	192,605	190	192,605	-	-	-	1,214
Luna Community College 2007	206,470	4,721	204,322	4,721	204,322	-	-	-	2,148
Luna Community College 2008	208,998	6,191	206,769	6,191	206,769	-	-	-	2,229
Luna Community College 2009	233,886	8,629	229,978	8,629	229,978	-	-	-	3,908
Luna Community College 2010	233,968	15,575	227,144	15,575	227,144	-	-	-	6,824
Luna Community College 2011	247,099	230,437	230,437	230,437	230,437	-	-	-	16,662
Total Luna Community College	2,096,397	265,920	2,052,822	265,920	2,052,822	-	-	-	43,575
Watermaster 2002	4,087	2	3,874	2	3,874	-	-	-	213
Watermaster 2003	4,827	26	4,631	26	4,631	-	-	-	196
Watermaster 2004	5,515	4	5,248	4	5,248	-	-	-	267
Watermaster 2005	3,296	1	3,181	1	3,181	-	-	-	115
Watermaster 2006	3,873	48	3,569	48	3,569	-	-	-	304
Watermaster 2007	3,762	325	3,614	325	3,614	-	-	-	148
Watermaster 2008	2,767	462	2,601	462	2,601	-	-	-	166
Watermaster 2009	2,384	407	2,200	407	2,200	-	-	-	184
Watermaster 2010	4,350	1,043	3,894	1,043	3,894	-	-	-	456
Watermaster 2011	3,817	2,366	2,366	2,366	2,366	-	-	-	1,451
Total Watermaster	38,678	4,684	35,178	4,684	35,178	-	-	-	3,500
Guadalupe Soil and Water 2002	23,293	-	23,262	-	23,262	-	-	-	31
Guadalupe Soil and Water 2003	23,359	4	23,331	4	23,331	-	-	-	28
Guadalupe Soil and Water 2004	23,264	19	22,028	19	22,028	-	-	-	1,236
Guadalupe Soil and Water 2005	25,673	(2)	25,900	(2)	25,900	-	-	-	(227)
Guadalupe Soil and Water 2006	24,742	6	24,704	6	24,704	-	-	-	38
Guadalupe Soil and Water 2007	24,406	980	23,961	980	23,961	-	-	-	445
Guadalupe Soil and Water 2008	23,854	626	23,629	626	23,629	-	-	-	225
Guadalupe Soil and Water 2009	27,601	(64)	27,630	(64)	27,630	-	-	-	(29)
Guadalupe Soil and Water 2010	31,016	1,083	30,541	1,083	30,541	-	-	-	475
Guadalupe Soil and Water 2011	33,170	32,614	32,614	32,614	32,614	-	-	-	556
Total Guadalupe Soil and Water	260,378	35,266	257,600	35,266	257,600	-	-	-	2,778
Total Special District	2,395,453	305,870	2,345,600	305,870	2,345,600	-	-	-	49,853
Grand Total	30,120,420	3,524,330	29,525,796	3,523,652	29,525,796	-	-	-	594,624

(This page intentionally left blank.)

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, 2012, and have issued our report thereon dated November 10, 2012. 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

Management of the County is responsible for establishing and maintaining effective 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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and 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.

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, FS 06-01 and FS 12-01.

(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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. 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.

GRIEGO PROFESSIONAL SERVICES, LLC

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

Albuquerque, New Mexico
November 10, 2012

(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, 2012. 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, 2012.

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.

GRIEGO PROFESSIONAL SERVICES, LLC

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

Albuquerque, New Mexico
November 10, 2012

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2012

Schedule V

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Grant Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Agriculture			
Community Facilities Loans and Grants (1)	3122	10.766	261,563
Total U.S. Department of Agriculture			<u>261,563</u>
U.S. Department of the Interior			
Taylor Grazing	2080	15.226	6,899
Total U.S. Department of the Interior			<u>6,899</u>
U.S. Department of Health & Human Services			
Title III B	2190	93.044	10,176
Title III C-1	2190	93.045	18,323
Title III C-2	2190	93.045	4,894
Total U.S. Department of Health & Human Services			<u>33,393</u>
U.S. Department of Homeland Security			
Homeland Security Grant Program	2992	97.067	134,674
Total U.S. Department of Homeland Security			<u>134,674</u>
Total Federal Financial Assistance			<u>\$ 436,529</u>
<i>(1) Denotes major federal assistance program</i>			

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of 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	\$ 436,529
Total expenditures funded by other sources	<u>9,306,864</u>
Total expenditures	<u>9,743,393</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, 2012

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. 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 | | | | |
| 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="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <tr> <td style="text-align: center; border-bottom: 1px solid black; padding: 5px;">CFDA
Number</td> <td style="text-align: center; border-bottom: 1px solid black; padding: 5px;">Federal Program</td> </tr> <tr> <td style="text-align: center; padding: 5px;">10.766</td> <td style="text-align: center; padding: 5px;">Community Facilities Loans and Grants</td> </tr> </table> | CFDA
Number | Federal Program | 10.766 | Community Facilities Loans and Grants | |
| CFDA
Number | Federal Program | | | | |
| 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? | Yes | | | | |

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

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.

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.

Responsible Officials' View: 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 12-01 – Misuse of Funds and County Property

Condition: During fiscal year 2010 and 2011, the County and outside entities discovered that the employees of the County utilized County equipment and personnel to perform projects on personal property. The situation noted included the following:

- Unauthorized transactions involving private entities and county employees, including the bidding process with the provisions of the procurement code
- Unauthorized use of County equipment for private gain
- Unauthorized use of County employees for private gain
- Unauthorized use of County fuel for private gain
- Unauthorized employee travel and expenses paid by County

Criteria: Internal Control Structure Standards and State Statute indicate, "it is unlawful for any state agency or local public body employee or former employee knowingly to use confidential information for actual or anticipated personal gain or for the actual or anticipated personal gain of any other person."

Effect: The County has undergone a State Police investigation which encumbrances County resources as well and provides potential liabilities and legal actions from employees and other County related staff and vendors. The County may be liable for injuries or other litigation as a result of personnel not performing County assigned tasks and utilizing County assets after work hours.

STATE OF NEW MEXICO
GUADALUPE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Schedule VI

Cause: The County did not maintain internal controls sufficient to detect the misuse of County assets and personnel. County personnel and governance members overrode internal controls and State Statutes for personal gain.

Auditor's Recommendation: The County must establish formal internal control policies and procedures that emphasize monitoring responsibilities of senior management as well as other in the organization to ensure County assets and personnel are not misused. The County should educate personnel and governance members with regards to State Statutes and requirements as well as good business practices regarding the utilization of County assets.

Responsible Officials' View: County officials and governance board members have been advised of limitations regarding the use of County assets for personal use. The employee involved primarily was reprimanded without pay. The County does not believe this to be repetitive issue and believes that it has not occurred since this instance.

Guadalupe County - Hospital

None

Section III – PRIOR YEAR AUDIT FINDINGS

FS-06-01 Financial Records(Material Weakness) (Repeated)
FS 11-01- Invoice Dated Before Purchase Order (Other Matter) (Resolved)
FS 10-05 Purchase Order Procedures (Guadalupe County Hospital SA 10-1) (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 14, 2012. The following individuals were in attendance.

Guadalupe County

Glenn G. Gonzales, Commission Chairman
Michael Romero, 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
Vince Cordova, Commission Vice-Chairman

Griego Professional Services, LLC

J.J. Griego, CPA, Partner