

STATE OF NEW MEXICO

**GUADALUPE COUNTY
ANNUAL FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2013



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

INTRODUCTORY SECTION

**STATE OF NEW MEXICO
GUADALUPE COUNTY
OFFICIAL ROSTER
JUNE 30, 2013**

<u>Name</u>	<u>Board of County Commissioners</u>	<u>Title</u>
Alvin V. Maestas, Sr.		Commission Chairman
Ernest S. Tapia		Commission Vice-Chairman
Vincent R. Cordova		Commission Member
	<u>Elected Officials</u>	
Roberta Chavez		County Assessor
Patrick Martinez		County Clerk
Michael Lucero		County Sheriff
Diana Urban		County Treasurer
Gilbert Gomez		Probate Judge
	<u>Administrative Officials</u>	
George Dodge Jr.		County Manager
Rose Fernandez		Finance Director
Gloria Jean Chavez		Finance Officer
Susan A. Bailey		Chief Deputy Treasurer
Jesus L. Lopez		County Attorney

**STATE OF NEW MEXICO
 GUADALUPE COUNTY
 ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED JUNE 30, 2013
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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have 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, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2013, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Guadalupe County Hospital, which represents 100 percent of the assets, net position, and revenues of the discretely presented component units. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2013, 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 accordance 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 the County as of June 30, 2013, 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.

Other Matters

Required Supplementary Information

Management has omitted *Management's Discussion and Analysis* that accounting principles generally accepted in the United States of America require 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the County's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The accompanying Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and introductory sections, and other schedules required by 2.2.2.NMAC are presented for purpose of additional analysis, and are also not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2. NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, Statement of Changes in Assets and Liabilities for Agency Funds, and other schedules required by 2.2.2. NMAC are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2013, on our consideration of the County'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Guadalupe County, New Mexico's internal control over financial reporting and compliance.



Axiom CPAs and Business Advisors, LLC
Albuquerque, New Mexico
November 11, 2013

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 STATEMENT OF NET POSITION
 JUNE 30, 2013

Exhibit A-1

	Governmental Activities	Component Unit
ASSETS		
<i>Current:</i>		
Cash and cash equivalents and temporary investments	\$ 2,765,046	\$ 4,510,727
Receivables (net of allowance for uncollectibles)	399,562	445,945
Hospital receivables other than patient accounts	-	1,640,829
Prepaid insurance	37,127	42,552
Supplies inventory and other assets	-	174,478
<i>Total current assets</i>	<u>3,201,735</u>	<u>6,814,531</u>
<i>Noncurrent assets:</i>		
Restricted cash	-	34,000
Capital assets	44,151,454	14,905,266
Less: accumulated depreciation	(25,066,305)	(1,445,738)
Total capital assets	<u>19,085,149</u>	<u>13,459,528</u>
<i>Total noncurrent assets</i>	<u>19,085,149</u>	<u>13,493,528</u>
Total assets	<u>22,286,884</u>	<u>20,308,059</u>
LIABILITIES		
<i>Current liabilities:</i>		
Accounts payable	190,069	926,850
Accrued payroll liabilities	41,273	62,328
Accrued interest	31,129	27,486
Deferred revenue	298,198	-
Current portion of compensated absences	13,931	50,414
Current portion of long-term debt	76,078	122,227
<i>Total current liabilities</i>	<u>650,678</u>	<u>1,189,305</u>
<i>Noncurrent liabilities:</i>		
Compensated absences	41,792	-
Noncurrent portion of long-term debt	1,642,736	1,175,415
<i>Total noncurrent liabilities</i>	<u>1,684,528</u>	<u>1,175,415</u>
<i>Total Liabilities</i>	<u>2,335,206</u>	<u>2,364,720</u>
<i>Net position:</i>		
Net investment in capital assets	17,563,711	12,134,400
Restricted for:		
Special revenues	583,392	-
Capital projects	587,667	34,000
Unrestricted	1,216,908	5,774,939
<i>Total net position</i>	<u>\$ 19,951,678</u>	<u>\$ 17,943,339</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,664,907	\$ 75,880	\$ 698,017	\$ -
Public safety	1,417,029	217,832	621,155	-
Culture and recreation	13,116	-	750	-
Health and welfare	2,173,860	81	1,374,874	500,000
Public works	3,923,165	645,079	33,852	637,637
Loss on disposition of assets	517,956	-	-	-
Interest relating to long-term debt	58,698	-	-	-
<i>Total primary government</i>	<u>9,768,731</u>	<u>938,872</u>	<u>2,728,648</u>	<u>1,137,637</u>
Component unit:				
Guadalupe County Hospital	<u>5,537,153</u>	<u>3,488,280</u>	<u>2,957,752</u>	<u>24,840</u>
<i>Total component unit</i>	<u>\$ 5,537,153</u>	<u>\$ 3,488,280</u>	<u>\$ 2,957,752</u>	<u>\$ 24,840</u>

General Revenues:

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

Total general revenues and transfers

Change in net position

Beginning net position

Ending net position

See Notes to Financial Statements

Exhibit A-2

Net (Expenses) Revenues and Changes in Net Position	
Governmental Activities	Component Unit
\$ (891,010)	\$ -
(578,042)	-
(12,366)	-
(298,905)	-
(2,606,597)	-
(517,956)	-
<u>(58,698)</u>	<u>(62,444)</u>
<u>(4,963,574)</u>	<u>(62,444)</u>
<u>-</u>	<u>933,719</u>
<u>-</u>	<u>871,275</u>
1,263,827	-
478,215	-
150,368	-
-	477,999
-	-
216,060	73,151
<u>2,073</u>	<u>16,797</u>
<u>2,110,543</u>	<u>567,947</u>
(2,853,031)	1,439,222
<u>22,804,709</u>	<u>16,504,117</u>
<u>\$ 19,951,678</u>	<u>\$ 17,943,339</u>

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

	General Fund 101	Road Fund 204	Senior Citizens Fund 219	Indigent Fund 220
ASSETS				
<i>Current:</i>				
Cash and cash equivalents	\$ 1,314,263	\$ 300,605	\$ -	\$ 77,130
Accounts receivable				
Property taxes	173,092	-	-	-
Intergovernmental	20,471	29,517	7,636	18,213
Other receivables	-	-	-	-
Prepaid insurance	28,425	-	-	-
Interfund balances	42,700	-	-	-
<i>Total current assets</i>	<u>\$ 1,578,951</u>	<u>\$ 330,122</u>	<u>\$ 7,636</u>	<u>\$ 95,343</u>
LIABILITIES AND FUND BALANCE				
<i>Current liabilities:</i>				
Accounts payable	9,666	2,212	1,454	392
Accrued payroll liabilities	23,953	8,545	2,603	-
Interfund balances	-	-	19,398	-
Deferred revenue - state grants	-	298,198	-	-
Deferred revenue - property taxes	173,092	-	-	-
<i>Total current liabilities</i>	<u>206,711</u>	<u>308,955</u>	<u>23,455</u>	<u>392</u>
<i>Fund Balance:</i>				
Nonspendable	28,425	-	-	-
Restricted	-	21,167	-	94,951
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	1,343,815	-	(15,819)	-
<i>Total fund balance (deficit)</i>	<u>1,372,240</u>	<u>21,167</u>	<u>(15,819)</u>	<u>94,951</u>
<i>Total liabilities and fund balance</i>	<u>\$ 1,578,951</u>	<u>\$ 330,122</u>	<u>\$ 7,636</u>	<u>\$ 95,343</u>

See Notes to Financial Statements

Exhibit B-1
 (Page 1 of 2)

Capital Projects Funds 300	Nonmajor Governmental Funds	Total Governmental Funds
\$ 594,617	\$ 478,431	\$ 2,765,046
-	-	173,092
104,084	46,549	226,470
-	-	-
-	8,702	37,127
-	-	42,700
<u>\$ 698,701</u>	<u>\$ 533,682</u>	<u>\$ 3,244,435</u>
111,034	65,311	190,069
-	6,172	41,273
-	23,302	42,700
-	-	298,198
-	-	173,092
<u>111,034</u>	<u>94,785</u>	<u>745,332</u>
-	8,702	37,127
587,667	317,674	1,021,459
-	-	-
-	140,898	140,898
-	(28,377)	1,299,619
<u>587,667</u>	<u>438,897</u>	<u>2,499,103</u>
<u>\$ 698,701</u>	<u>\$ 533,682</u>	<u>\$ 3,244,435</u>

STATE OF NEW MEXICO
GUADALUPE COUNTY
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2013

Exhibit B-1
 (Page 2 of 2)

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

Fund balances - total governmental funds	\$ 2,499,103
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	19,085,149
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:	
Property taxes	173,092
Accrued interest expense	(31,129)
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	(1,718,814)
Compensated absences	<u>(55,723)</u>
Total net position	<u>\$ 19,951,678</u>

See Notes to 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, 2013

	General Fund 101	Road Fund 204	Senior Citizens Fund 219	Indigent Fund 220
<i>Revenues:</i>				
Property taxes	\$ 1,280,601	\$ -	\$ -	\$ -
Gross receipts taxes	104,323	25,716	-	104,323
Other taxes	-	150,368	-	-
State grants	633,017	33,852	102,006	1,685,156
Federal grants	65,000	-	30,144	-
Licenses and fees	10,088	-	-	-
Charges for services	25,985	236,144	81	-
Investment income	2,073	-	-	-
Miscellaneous	6,287	29,119	15,269	-
<i>Total revenues</i>	<u>2,127,374</u>	<u>475,199</u>	<u>147,500</u>	<u>1,789,479</u>
<i>Expenditures:</i>				
Current				
General government	1,298,983	-	-	-
Public safety	456,653	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	217,313	1,748,614
Public works	211,388	704,033	-	-
Capital outlay	19,443	20,218	-	-
Debt service				
Principal	65,000	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,051,467</u>	<u>724,251</u>	<u>217,313</u>	<u>1,748,614</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>75,907</u>	<u>(249,052)</u>	<u>(69,813)</u>	<u>40,865</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	4,266	-	75,055	-
Operating transfers (out)	(186,084)	-	-	-
Proceeds from issuance of debt	150,000	-	-	-
<i>Total other financing sources (uses)</i>	<u>(31,818)</u>	<u>-</u>	<u>75,055</u>	<u>-</u>
<i>Net change in fund balances</i>	44,089	(249,052)	5,242	40,865
<i>Fund balances (deficits) - beginning of year</i>	<u>1,328,151</u>	<u>270,219</u>	<u>(21,061)</u>	<u>54,086</u>
<i>Fund balances (deficits) - end of year</i>	<u>\$ 1,372,240</u>	<u>\$ 21,167</u>	<u>\$ (15,819)</u>	<u>\$ 94,951</u>

See Notes to Financial Statements

Capital Project Fund 300	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 1,280,601
104,073	139,780	478,215
-	-	150,368
106,669	546,681	3,107,381
450,000	213,760	758,904
-	39,348	49,436
295,579	331,647	889,436
-	-	2,073
13,096	152,289	216,060
<u>969,417</u>	<u>1,423,505</u>	<u>6,932,474</u>
-	26,911	1,325,894
-	813,891	1,270,544
-	13,116	13,116
-	168,834	2,134,761
578,957	291,596	1,785,974
1,475,809	91,514	1,606,984
342,859	42,583	450,442
29,214	-	29,214
<u>2,426,839</u>	<u>1,448,445</u>	<u>8,616,929</u>
<u>(1,457,422)</u>	<u>(24,940)</u>	<u>(1,684,455)</u>
230,000	252,577	561,898
(145,739)	(230,075)	(561,898)
920,428	-	1,070,428
<u>1,004,689</u>	<u>22,502</u>	<u>1,070,428</u>
(452,733)	(2,438)	(614,027)
<u>1,040,400</u>	<u>441,335</u>	<u>3,113,130</u>
<u>\$ 587,667</u>	<u>\$ 438,897</u>	<u>\$ 2,499,103</u>

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 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, 2013

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 \$ (614,027)

Governmental fund 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	1,606,984
Depreciation expense	(2,652,091)

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 (16,774)

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 position. 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:

Increase in accrued interest payable	(29,484)
Increase in accrued compensated absences	(9,697)
Note Proceeds	(1,070,428)
Principal payments on notes	450,442

Loss on the disposition of fixed assets (517,956)

Change in net position \$ (2,853,031)

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Exhibit C-1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 1,357,933	\$ 1,357,933	\$ 1,384,924	\$ 26,991
Intergovernmental	576,630	650,225	698,017	47,792
Licenses and fees	7,550	7,550	10,088	2,538
Charges for services	13,000	13,000	25,985	12,985
Investment income	3,000	3,000	2,073	(927)
Miscellaneous	47,650	83,377	57,812	(25,565)
<i>Total revenues</i>	<u>2,005,763</u>	<u>2,115,085</u>	<u>2,178,899</u>	<u>63,814</u>
<i>Expenditures:</i>				
Current				
General government	1,280,611	1,302,110	1,302,734	(624)
Public safety	473,378	473,378	450,807	22,571
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	449,377	449,377	210,136	239,241
Capital outlay	268,168	290,168	19,443	270,725
Debt service				
Principal	-	65,000	65,000	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,471,534</u>	<u>2,580,033</u>	<u>2,048,120</u>	<u>531,913</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(465,771)</u>	<u>(464,948)</u>	<u>130,779</u>	<u>595,727</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	4,266	4,266	4,266	-
Operating transfers (out)	(108,326)	(186,084)	(186,084)	-
Proceeds from issuance of debt	-	-	150,000	150,000
Designated cash	569,831	646,766	-	(646,766)
<i>Total other financing sources (uses)</i>	<u>465,771</u>	<u>464,948</u>	<u>(31,818)</u>	<u>(496,766)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>98,961</u>	<u>\$ 98,961</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			(51,525)	
Changes in prepaids			15,304	
Changes in accounts payable			223	
Changes in accrued liabilities			(18,874)	
<i>Net Change in Fund Balances (GAAP Basis)</i>			<u>\$ 44,089</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 ROAD - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Exhibit C-2

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 140,000	\$ 140,000	\$ 176,084	\$ 36,084
Intergovernmental	292,978	357,746	355,809	(1,937)
Licenses and fees	-	-	-	-
Charges for services	194,304	194,304	236,144	41,840
Investment income	-	-	-	-
Miscellaneous	5,684	28,374	29,119	745
<i>Total revenues</i>	<u>632,966</u>	<u>720,424</u>	<u>797,156</u>	<u>76,732</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	761,162	783,852	686,899	96,953
Capital outlay	36,000	100,768	20,218	80,550
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>797,162</u>	<u>884,620</u>	<u>707,117</u>	<u>177,503</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(164,196)</u>	<u>(164,196)</u>	<u>90,039</u>	<u>254,235</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	164,196	164,196	-	(164,196)
<i>Total other financing sources (uses)</i>	<u>164,196</u>	<u>164,196</u>	<u>-</u>	<u>(164,196)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>90,039</u>	<u>\$ 90,039</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			(23,759)	
Changes in prepaids			(8,013)	
Changes in accounts payable			(300,410)	
Changes in accrued liabilities			(6,909)	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (249,052)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 SENIOR CITIZENS - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Exhibit C-3

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	207,911	214,542	124,514	(90,028)
Licenses and fees	-	-	-	-
Charges for services	5,000	5,000	81	(4,919)
Investment income	-	-	-	-
Miscellaneous	17,000	17,000	15,269	(1,731)
<i>Total revenues</i>	<u>229,911</u>	<u>236,542</u>	<u>139,864</u>	<u>(96,678)</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	217,430	224,061	214,444	9,617
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>217,430</u>	<u>224,061</u>	<u>214,444</u>	<u>9,617</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>12,481</u>	<u>12,481</u>	<u>(74,580)</u>	<u>(87,061)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	9,051	75,051	75,055	4
Operating transfers (out)	-	-	-	-
Designated cash	(21,532)	(87,532)	-	87,532
<i>Total other financing sources (uses)</i>	<u>(12,481)</u>	<u>(12,481)</u>	<u>75,055</u>	<u>87,536</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	475	<u>\$ 475</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			7,636	
Changes in prepaids			(1,543)	
Changes in accounts payable			831	
Changes in accrued liabilities			(2,157)	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 5,242</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 INDIGENT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Exhibit C-4

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 94,500	\$ 94,500	\$ 104,323	\$ 9,823
Intergovernmental	1,669,502	1,669,502	1,681,671	12,169
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,764,002</u>	<u>1,764,002</u>	<u>1,785,994</u>	<u>21,992</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,810,893	1,810,893	1,748,364	62,529
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,810,893</u>	<u>1,810,893</u>	<u>1,748,364</u>	<u>62,529</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(46,891)</u>	<u>(46,891)</u>	<u>37,630</u>	<u>84,521</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	46,891	46,891	-	(46,891)
<i>Total other financing sources (uses)</i>	<u>46,891</u>	<u>46,891</u>	<u>-</u>	<u>(46,891)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>37,630</u>	<u>\$ 37,630</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			3,485	
Changes in prepaids			-	
Changes in accounts payable			(392)	
Changes in accrued liabilities			142	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 40,865</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2013

Exhibit D-1

	<u>Balance June 30, 2013</u>
ASSETS	
Cash on deposit	\$ 515,040
Property taxes receivable	<u>445,648</u>
<i>Total assets</i>	<u><u>\$ 960,688</u></u>
LIABILITIES	
Due to other taxing units	<u>\$ 960,688</u>
<i>Total liabilities</i>	<u><u>\$ 960,688</u></u>

See Notes to Financial Statements

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

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 (US 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 US 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 2011, 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. 61 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. 61, fiscally independent means that the County may, without the approval or consent of another government entity, determine or modify its own

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. *Financial Reporting Entity (Continued)*

budget, levy its own taxes or set rates or change, and issue bonded debt. The County also has one *component unit*, as defined by GASB Statement No. 61. The component unit which the County is financially accountable for is the Guadalupe County Hospital (“Hospital”). The County Commission is responsible for approving all of the Hospital’s governing board members. 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 position and the statement of activities) 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.

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 segments 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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Governmental funds are used to account for the County's general governmental 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 Statement No. 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, 67-3-82.2, 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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2013

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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities and Net Position or Equity

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

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

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

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

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

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

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 costs 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, per Section 12-60-10 NMSA 1978 and an estimate 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, 2013.

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

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Assets	Years
Infrastructure	30-50
Building & Improvements	30-50
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 show 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 statements consists of unpaid, accumulated annual leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expecting to become eligible in the future to receive such payments upon termination are included.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. 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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 position and displayed in three components:

- a. Net investment 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 Position consist of net positions 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 position reports \$1,032,419 of restricted net positions.
- c. Unrestricted Net Position are all other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

The Government-wide Statement of Net Position reports \$1,032,419 of restricted net positions of which \$587,667 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 positions 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 position.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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

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 budgetary basis. Budgetary expenditures exclude encumbrances. The budget secures appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

**STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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, 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 revenues, expenditures and other financing sources and uses on a budgetary basis.

Since accounting principles applied for purposes of developing revenues and expenditures on the budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), a reconciliation of resultant basis, perspective, equity and timing differences in the net change in fund balances is presented for the year ended June 30, 2013. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on the individual comparison statements.

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, 2013.

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 collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 3. CASH AND TEMPORARY INVESTMENTS (CONTINUED)

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

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

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

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 per respective institution.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a 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, 2013, \$1,340,815 of the County's bank balance of \$3,788,097 was exposed to custodial credit risk as this is the portion of the County's bank balance that was not insured or secured by 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.

As of June 30, 2013, the County's investment of \$49 in the State Treasurer Local Government Investment Pool – Reserve Contingency Fund was unrated.

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.

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 3. CASH AND TEMPORARY INVESTMENTS (CONTINUED)

As of June 30, 2013, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (WAM)</u>
New MexiGROW LGIP	AAAm	\$ 93	59 days
LGIP Reserve Contingency Fund	Unrated	\$ 49	Non-Performing Asset
NMFA Treasury Fund	Unrated	\$ 90,706	< 1 year
Certificates of Deposit	Unrated	\$ 1,317,495	< 1 year

Interest rate risk. GASB Statement No. 40 defines interest rate risk as the risk that interest variations may adversely affect the fair value of an investment. According to the Statement, an acceptable method of reporting interest rate risk is weighted average maturity (“WAM”). The State Treasurer’s Office uses this method for reporting purposes for the Local Government Investment Pool (LGIP). The WAM of the LGIP is identified on the monthly LGIP investment report found on the State Treasurer’s Office website at www.nmsto.gov. As of June 30, 2013, the LGIP had a credit risk rating of AAAm and a WAM(R) of 59 days and a WAM(F) of 90 days.

Concentration of credit risk – Investments. The County places no limit on the amount the County may invest in any one issuer. The County is invested only in Wells Fargo Certificates of Deposit, Community 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 rating 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 that 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, 2013. The State of New Mexico is the regulatory oversight entity and participation in the pool is voluntary.

**STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013**

NOTE 4. RECEIVABLES

Receivables as of June 30, 2013 are as follows:

<u>Fund</u>	<u>Property Taxes</u>	<u>Intergovernmental</u>	<u>Total</u>
General	\$ 173,092	\$ 20,471	\$ 193,563
Road	-	29,517	29,517
Senior Citizens	-	7,636	7,636
Indigent	-	18,213	18,213
Capital Projects	-	104,084	104,084
Nonmajor			
Governmental	-	46,549	46,549
Total	<u>\$ 173,092</u>	<u>\$ 226,470</u>	<u>\$ 399,562</u>

The above receivables are deemed 100% collectible. In accordance with GASB Statement No. 33, property tax receivables are presented net of deferred revenues in the governmental balance sheet. Deferred revenue – property taxes totaled \$173,092 as presented in the general fund.

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

<u>Governmental Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 4,266	\$ 186,084
County Property Valuation	-	75
Windmill	-	230,000
Capital Projects	230,000	145,739
Environmental GRT	149,728	-
Farm and Range	26,602	-
Recreation	13,254	-
Senior Center	75,055	-
Emergency Management	46,874	-
Homeland Security	16,119	-
Totals	<u>\$ 561,898</u>	<u>\$ 561,898</u>

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

The County has interfund loans for the purpose of providing cash to grant funds that must expend funds in order to get reimbursements.

The composition of interfund balances as of June 30, 2013 is as follows:

Governmental Funds	Due From Other Funds	Due To Other Funds
General Fund	\$ 42,700	\$ -
Senior Center	-	19,398
Rural Primary Health Care Act	-	9,667
DWI Grant	-	13,635
Totals	\$ 42,700	\$ 42,700

NOTE 6. LEASES

The County leases various equipment for the purpose of providing public works services to the residents of the County. The leases are generally for 5 year terms. The leases began in fiscal years 2009 through 2013 and expire in fiscal years 2013 through 2018.

The future minimum lease payments under the operating equipment leases are as follows:

Year Ending June 30,		
2014	\$	26,103
2015		26,103
2016		26,103
2017		8,701
2018		-
Thereafter		-
Totals	\$	87,010

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 7. CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2013, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and Construction in Progress are not subject to depreciation.

Governmental Activities:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassif- ications</u>	<u>Balance June 30, 2013</u>
Capital Assets Used in Governmental Activities:					
Capital Assets not being depreciated:					
Construction in Progress	\$ 83,168	-	(35,807)	(11,709)	35,652
Land	152,398	-	-	121,313	273,711
Subtotal	<u>235,566</u>	<u>-</u>	<u>(35,807)</u>	<u>109,604</u>	<u>309,363</u>
Capital Assets Being Depreciated:					
Buildings	7,719,299	1,080,968	-	(1,330,932)	7,469,335
Machinery and Equipment	5,743,145	138,210	(942,753)	971,565	5,910,167
Furniture and Fixtures	1,148,538	14,419	(5,450)	(768,442)	389,065
Infrastructure	28,208,643	373,387	(462,317)	1,953,811	30,073,524
Subtotal	<u>42,819,625</u>	<u>1,606,984</u>	<u>(1,410,520)</u>	<u>826,002</u>	<u>43,842,091</u>
Total Capital Assets	<u>43,055,191</u>	<u>1,606,984</u>	<u>(1,446,327)</u>	<u>935,606</u>	<u>44,151,454</u>
Less Accumulated Depreciation:					
Buildings	2,795,446	189,982	-	(18,407)	2,967,021
Machinery & Equipment	5,847,581	779,274	(928,008)	(327,744)	5,371,103
Furniture & Fixtures	649,502	121,156	(363)	(562,231)	208,064
Infrastructure	13,114,450	1,561,679	-	1,843,988	16,520,117
Total	<u>22,406,979</u>	<u>2,652,091</u>	<u>(928,371)</u>	<u>935,606</u>	<u>25,066,305</u>
Net Capital Assets	<u>\$ 20,648,212</u>	<u>(1,045,107)</u>	<u>(517,956)</u>	<u>-</u>	<u>19,085,149</u>

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 7. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2013 was charged to the following functions and funds:

General Government	\$	329,315
Public Works		2,137,191
Health and Welfare		39,099
Public Safety		<u>146,486</u>
Total depreciation expense: governmental activities	<u>\$</u>	<u>2,652,091</u>

NOTE 8. LONG-TERM DEBT

During the year ended June 30, 2013, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
<i>Governmental Activities:</i>					
Notes Payable	\$ 1,098,828	1,070,428	450,442	1,718,814	76,078
Compensated Absences	<u>46,026</u>	<u>58,809</u>	<u>49,112</u>	<u>55,723</u>	<u>13,931</u>
Total Long Term Debt	<u>\$ 1,144,854</u>	<u>1,129,237</u>	<u>499,554</u>	<u>1,774,537</u>	<u>90,009</u>

Interest expense paid on long-term debt totaled \$58,698 for the year ended June 30, 2013 as indicated on the Statement of Activities.

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 8. LONG-TERM DEBT (CONTINUED)

The annual requirement to amortize the bond and notes payable as of June 30, 2013, including interest payments are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	\$ 273,454	\$ 39,070	\$ 312,524
2015	70,284	43,868	114,152
2016	72,318	42,959	115,277
2017	74,457	41,079	115,536
2018	76,706	39,001	115,707
2019-2023	422,819	158,492	581,311
2024-2028	290,279	96,166	386,445
2029-2033	63,422	69,550	132,972
2034-2038	75,063	57,909	132,972
2039-2043	88,841	44,132	132,973
2044-2048	105,147	27,825	132,972
2049-2053	106,024	8,526	114,550
Totals	<u>\$ 1,718,814</u>	<u>\$ 668,577</u>	<u>\$ 2,387,391</u>

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

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

The County maintains multiple loans through the New Mexico Taxation and Revenue Department (NMTRD). These loans are for the purpose of repaying the overpayment of gross receipts tax to the County by the State. Loan payments are payable from the fund associated with the loan (general). Loan principal payments are made on a monthly basis to NMTRD as is required per the loan’s debt schedules. The loans are non-interest bearing and payments are scheduled through fiscal year 2015.

The County has a loan from United States of America. This loan was for the construction/renovation of the Dental Facility. Loan payments are payable from the related fund associated with the loan (general).

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 8. LONG-TERM DEBT (CONTINUED)

Loan principal and interest payments are made on an annual basis as is required per the debt schedules. Interest rate on the loan is 3.375% and loan payments are scheduled through 2053.

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 ended June 30, 2013, compensated absences increased \$9,697 over the prior year accrual. See Note 1 for more details.

NOTE 9. 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, 2013, Guadalupe County had \$298,198 of deferred revenues related to Special Revenue Funds classified in the Road Fund.

NOTE 10. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft, or 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.

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 11. 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, 2013:

<u>Fund</u>	<u>Deficit Balance</u>
Senior Citizens	\$ (15,819)
E-911 Enhanced	(17,241)
Rural Primary Health Care Act	(10,000)
La Loma Senior Center	(3)
DWI Grant	(502)
Emergency Management	(631)
Total	<u>\$ (44,196)</u>

These deficits are expected to be funded by additional grants and charges for services. The County anticipates these fund balances will not be in the deficit state in subsequent years.

- B. *Excess expenditures over appropriations:* Budgetary authority is at the fund level. There were no funds with expenditures in excess of appropriations for the year ended June 30, 2013.
- 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, 2013.

**STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 12. 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 18.5% (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, 2013, 2012 and 2011 were \$163,748, \$157,416, and \$141,012, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 13. 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, 2013.

NOTE 14. CONTINGENT LIABILITIES

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 15. 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 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: Consists 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 actions (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 16. GOVERNMENTAL FUND BALANCE (CONTINUED)

Assigned: Consists 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:

	General Fund 101	Road Fund 204	Senior Citizens Fund 210	Indigent Fund 220	Capital Project 300	Total Nonmajor Govern- mental Funds
Fund balances:						
Nonspendable:						
Prepaid insurance	\$ 28,425	-	-	-	-	8,702
Restricted for:						
Housing of prisoners	-	-	-	-	-	15,051
Roads and highways	-	21,167	-	-	-	-
Care of indigent citizens	-	-	-	94,951	-	-
Capital projects	-	-	-	-	587,667	-
Emergency services	-	-	-	-	-	6,178
Fire departments	-	-	-	-	-	75,461
Law enforcement	-	-	-	-	-	4,487
Solid waste services	-	-	-	-	-	114,917
Valuation services	-	-	-	-	-	68,192
Soil conservation	-	-	-	-	-	2,893
Recreation	-	-	-	-	-	1,634
Homeland security	-	-	-	-	-	7,671
County clerk	-	-	-	-	-	21,190
Committed:	-	-	-	-	-	-
Assigned to:						
Law enforcement	-	-	-	-	-	3,506
Hospital construction	-	-	-	-	-	137,392
Unassigned:	1,343,815	-	(15,819)	-	-	(28,377)
Total fund balances	\$ 1,372,240	21,167	(15,819)	94,951	587,667	438,897

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 17. RECENT ACCOUNTING PRONOUNCEMENTS

In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This statement, which is effective for financial statements for periods beginning after June 15, 2012, provides, among other things, additional guidance to primary governments that are business-type activities reporting financial information in a single column. New guidance, which includes reporting a blended component unit, allows users to better distinguish between the primary government and its component unit by requiring condensed combining information in the notes to the financial statements. The County adopted GASB Statement No. 61 during fiscal year 2013, with no effect to the County's financial statements.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement, which is effective for financial statements for periods beginning after December 15, 2011, supersedes GASB Statement No. 20. The County adopted GASB Statement No. 62 during fiscal year 2013, and its provisions were applied retroactively for all periods presented. Adoption of GASB Statement No. 62 did not materially affect the County's financial statements.

In June 2012, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which establishes standards for reporting deferred outflows and deferred inflows of resources and net position. The statement requires reporting of deferred outflows of resources (consumption of net position applicable to future periods) and deferred inflows of resources (acquisition of net position applicable to future periods) in separate sections of the balance sheet following assets and liabilities. The difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources equals net position and net position should be displayed in three components as: net investment in capital assets, restricted, and unrestricted. GASB Statement No. 63 is effective for financial statement periods beginning after December 15, 2011. The County adopted the provisions of the statement in fiscal year 2013. The adoption of GASB Statement No. 63 did not materially affect the County's financial statements. At June 30, 2013 the County had no items meeting the criteria of "deferred inflows" or "deferred outflows".

In March 2011, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65, which is effective for financial statements for periods beginning after December 15, 2012, amends or supersedes accounting and financial reporting guidance for certain items previously reported as assets or liabilities. The County will adopt GASB Statement No. 65 in fiscal year 2014 by retroactively restating financial statements for all periods presented. Debt issuance costs will need to be expensed as incurred when this standard is implemented.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 18. GUADALUPE COUNTY HOSPITAL

HOSPITAL NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES:

a. 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 Board of County Commissioners of the County affirms the Hospital Board of Directors, and the Hospital may not issue debt without the County's approval. For this reason, the Hospital is considered to be a component unit of Guadalupe County, New Mexico. As organized, the Hospital is exempt from federal and state income taxes. There are no component units of the Hospital.

The Hospital has a management agreement with New Mexicare, Inc. (New Mexicare), a nonprofit health care 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 pay New Mexicare a flat monthly fee of \$12,000 for management and pays the County \$8,000 per month for administrative services.

b. Summary of Significant Accounting Policies

Use of estimates – The Hospital's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to proprietary funds of governments. 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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES: (CONTINUED)

b. Summary of Significant Accounting Policies (Continued)

Enterprise fund accounting – The Hospital’s accounting policies conform to accounting principles generally accepted in the United States of America as applicable to proprietary funds of governments. The Hospital uses enterprise fund accounting. Revenue and expenses are recognized on the accrual basis using the economic resources measurement focus.

Cash and cash equivalents – Cash and cash equivalents include business checking accounts maintained with local financial institutions, cash on hand, and investments in highly liquid debt instruments with an original maturity of three months or less. Deposits that are held by the County are not included in the Hospital’s cash and cash equivalents.

Inventories – Inventories consist of medical, pharmaceutical, and laboratory supplies and are stated at the lower of costs (using the first-in, first-out method) or market value.

Prepaid expenses – Prepaid expenses are expenses paid during the year relating to expenses incurred in future periods. Prepaid expenses are amortized over the expected benefit period of the related expense.

Certificates of deposit held at County – The management agreement between the Hospital and New Mexicare requires the County to maintain a reserve in the amount of \$500,000 for Hospital operations.

Cash and cash equivalents restricted by USDA loan agreement – The Hospital’s revenue bonds with the United States Department of Agriculture require the Hospital to establish a reserve account, and each year set aside into that account an amount at least equal to one-tenth of one yearly payment. Written approval must be obtained from Rural Development, Community Programs to utilize any of the reserve.

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES: (CONTINUED)

b. Summary of Significant Accounting Policies (Continued)

Compensated absences – The liability for compensated absences consist 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.

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.

Net position – Net position of the Hospital is classified in four components. *Net investment in capital assets* consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted expendable net position* is noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Hospital, including amounts deposited with trustees as required by revenue bond indentures. *Restricted nonexpendable net position* equals the principal portion of permanent endowments. *Unrestricted net position* is remaining net position that does not meet the definition of *net investment in capital assets or restricted*.

Operating revenues and expenses – The Hospital's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions, including grants for specific operating activities associated with providing health care services – the Hospital's principal activity. Nonexchange revenues, including taxes and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES: (CONTINUED)

b. Summary of Significant Accounting Policies (Continued)

Operating revenues and expenses (continued) -expenses are all expenses incurred to provide health care services, other than financing costs.

Sole community provider – The Hospital qualifies as a sole community provider (SCP) hospital based on the Indigent Hospital and County Health Care Act (the Act). The Sole Community Provider Fund (Fund) was established under this Act. The Fund is administered by the New Mexico Human Services Department and consists of funds provided by counties to match federal funds for Medicaid Sole Community Provider hospital payments. Money in the Fund is used to make SCP hospital payments pursuant to the State Medicaid Program. The SCP has been restructured to provide New Mexico Hospitals with less favorable rates than in past years. As the program continues to undergo changes the Hospital will receive less favorable rates on return for their matches than in past years.

Grants and contributions – From time to time, the Hospital receives grants from the state of New Mexico and others, as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are restricted to specific capital acquisitions are reported after nonoperating revenues and expenses. Grants that are for specific projects or purposes related to the Hospital's operating activities are reported as operating revenue. Grants that are used to subsidize operating deficits are reported as nonoperating revenue. Contributions, except for capital contributions, are reported as nonoperating revenue.

Budgets and budgetary accounting – Prior to the beginning of each fiscal year, an accrual basis budget for the Hospital is prepared by the Hospital's management and is presented to the Board of Directors and the County Commissioners for approval. Upon approval, the budget is sent to the State of New Mexico Department of Finance and Administration (DFA) for tentative approval. Final approval is granted after the beginning of the fiscal year when the fund balances for the prior year are known. Expenditures cannot legally exceed the total fund

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GUADALUPE COUNTY
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JUNE 30, 2013

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES: (CONTINUED)

b. Summary of Significant Accounting Policies (Continued)

Budgets and budgetary accounting (continued) - budget. Any budget amendments are approved by the Board of Directors and County Commissioners and sent to the DFA for approval. Budgeted amounts may be transferred between departments within a fund; however, any revisions that alter the total expenditures of a fund must be approved by the DFA.

Recent accounting pronouncements – In November 2010, the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This statement, which is effective for financial statements for periods beginning after June 15, 2012, provides, among other things, additional guidance to primary governments that are business-type activities reporting financial information in a single column. New guidance, which includes reporting a blended component unit, allows users to better distinguish between the primary government and its component unit by requiring condensed combining information in the notes to the financial statements. The Hospital adopted GASB Statement No. 61 during fiscal year 2013, with no effect on the Hospital's financial statements.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement, which is effective for financial statements for periods beginning after December 15, 2011, supersedes GASB Statement No. 20. The Hospital adopted GASB Statement No. 62 during fiscal year 2013, and its provisions were applied retroactively for all periods presented. Adoption of GASB Statement No. 62 did not materially affect the Hospital's financial statements.

In June 2012, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which establishes standards for reporting deferred outflows and deferred inflows of resources and net position. The statement requires reporting of deferred outflows of resources (consumption of net position applicable to future periods) and deferred inflows of resources (acquisition of net position applicable to future periods) in separate sections of the balance sheet following assets and liabilities.

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GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES: (CONTINUED)

b. Summary of Significant Accounting Policies (Continued)

Recent accounting pronouncements (continued) - The difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources equals net position and net position should be displayed in three components as: net investment in capital assets, restricted, and unrestricted. GASB Statement No. 63 is effective for financial statement periods beginning after December 15, 2011. The Hospital adopted the provisions of the statement in fiscal year 2013. The adoption of GASB Statement No. 63 did not materially affect the Hospital's financial statements.

In March 2011, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65, which is effective for financial statements for periods beginning after December 15, 2012, amends or supersedes accounting and financial reporting guidance for certain items previously reported as assets or liabilities. The Hospital will adopt GASB Statement No. 65 in fiscal year 2014 by retroactively restating financial statements for all periods presented. Debt issuance costs will need to be expenses as incurred when this standard is implemented.

Reclassifications – Certain amounts have been reclassified in the 2012 financial statements in order to be consistent with the 2013 financial statements. These reclassifications had no effect on the previously reported change in net position.

Subsequent events – The Hospital has evaluated subsequent events through October 9, 2013, the date on which the financial statements were available to be issued.

HOSPITAL NOTE 2. DEPOSITS AND INVESTMENTS:

Custodial credit risk is the risk that in the event of a bank failure, the Hospital's deposits may not be returned to it.

The Hospital's deposits are covered by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each financial institution. In accordance with Section 6-10-17,

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 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 2. DEPOSITS AND INVESTMENTS: (CONTINUED)

NMSA, 1978 Compilation, the Hospital is required to collateralize an amount equal to one-half of the public money in excess of \$250,000 at each financial institution.

Of the Hospital's total deposits of \$4,577,079 at June 30, 2013, a total of \$1,095,290, was uninsured and uncollateralized, and therefore subject to custodial credit risk.

Statutes authorize the Hospital to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper, and bankers' acceptances.

The Hospital's investments for the year ended June 30, 2013 are as follows:

Investment Type	Rating	Fair Value	Weighted Average Maturity (WAM)
Certificates of Deposit	Unrated	\$ 500,000	< 1 year

HOSPITAL NOTE 3. PATIENT ACCOUNTS RECEIVABLE:

Patient accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectability of accounts receivable, the Hospital analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the Hospital analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely. For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Hospital records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection

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 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 3. PATIENT ACCOUNTS RECEIVABLE: (CONTINUED)

efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The Hospital's allowance for uncollectible accounts for self-pay patients has not changed significantly from prior years. The Hospital's provisions for bad debts and write-offs have not changed significantly from the prior year. The Hospital has not changed its charity care or uninsured discount policies during fiscal year 2013. The Hospital does not maintain a material allowance for uncollectible accounts from third-party payors, nor did it have significant write-offs from third party payors.

Patient accounts receivable reported as current assets by the Hospital at June 30, 2013 consisted of these amounts:

	2013
Receivable from patients and their insurance carriers	\$ 610,346
Receivable from Medicare	226,428
Receivable from Medicaid	40,770
Total patient accounts receivable	<u>877,544</u>
 Less allowance for uncollectible accounts	 <u>431,599</u>
 Net patient accounts receivable	 <u><u>\$ 445,945</u></u>

HOSPITAL NOTE 4. CAPITAL ASSETS:

In accordance with Section 12-6-10 NMSA 1987, the Hospital capitalizes assets whose costs exceed \$5,000 and with an estimated useful life of at least one year. Capital assets acquisitions are recorded at historical cost. Contributed capital assets are reported at their estimated fair value at the time of their donation.

All capital assets other than land and construction in progress are depreciated or amortized (in the case of capital leases) by the straight-line method of depreciation using these asset lives:

Assets	Years
<u>Land Improvements</u>	<u>10</u>
Buildings and improvements	40
Equipment	3-20

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 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 4. CAPITAL ASSETS: (CONTINUED)

Capital asset additions, retirements, transfers, and balances for the year ended June 30, 2013 were as follows:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance June 30, 2013</u>
Capital Assets not being depreciated:					
Land	\$ 187,363	-	-	-	187,363
Subtotal	<u>187,363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,363</u>
Capital Assets being Depreciated:					
Land improvements	202,963	24,840	-	-	227,803
Buildings and improvements	12,259,178	110,733	-	-	12,369,911
Equipment	<u>2,435,532</u>	<u>70,248</u>	<u>(385,591)</u>	-	<u>2,120,189</u>
Subtotal	<u>14,897,673</u>	<u>205,821</u>	<u>(385,591)</u>	<u>-</u>	<u>14,717,903</u>
Total Capital Assets	<u>15,085,036</u>	<u>205,821</u>	<u>(385,591)</u>	<u>-</u>	<u>14,905,266</u>
Less Accumulated Depreciation For:					
Land improvements	19,009	20,251	-	-	39,260
Buildings and improvements	306,479	310,174	-	-	616,653
Equipment	<u>871,700</u>	<u>300,524</u>	<u>(382,399)</u>	-	<u>789,825</u>
Total Accumulated Depreciation	<u>1,197,188</u>	<u>630,949</u>	<u>(382,399)</u>	<u>-</u>	<u>1,445,738</u>
Total Capital Assets Being Depreciated, Net	<u>13,700,485</u>	<u>(425,128)</u>	<u>(3,192)</u>	<u>-</u>	<u>13,272,165</u>
Capital Assets, Net of Accumulated Depreciating	<u>13,887,848</u>	<u>(425,128)</u>	<u>(3,192)</u>	<u>-</u>	<u>13,459,528</u>

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 5. NONCURRENT LIABILITIES:

A schedule of changes in the Hospital's noncurrent liabilities for the year ended June 30, 2013 is as follows:

	<u>Balance June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2013</u>	<u>Due Within One Year</u>
Revenue bonds payable	\$ 1,364,624	-	97,710	1,266,914	103,089
Capital lease obligation	48,978	-	18,250	30,728	19,138
Compensated absences	<u>49,022</u>	<u>66,077</u>	<u>64,685</u>	<u>50,414</u>	<u>50,414</u>
Total Long-Term Debt and Capital Lease Obligations	<u>\$ 1,462,624</u>	<u>66,077</u>	<u>180,645</u>	<u>1,348,056</u>	<u>172,641</u>

Long-term Debt – The terms and due dates of the Hospital's long-term debt at June 30, 2013 are as follows:

Guadalupe County, New Mexico Hospital Improvement Revenue Bonds, dated December 28, 2011, in the original amount of \$3,550,000, for the purpose of improvements and expansion of the Hospital's facilities. The bonds are payable annually on December 28 in the remaining principal amounts ranging from \$13,868 to \$103,089 through 2049. Interest is payable annually on December 28 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 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 Hospital to maintain certain financial ratios and other financial covenants. The Hospital was in compliance with all related covenants at June 30, 2013.

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 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 5. NONCURRENT LIABILITIES: (CONTINUED)

Annual principal and interest payments over the terms of long-term debt are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payments</u>
2014	\$ 103,089	\$ 55,428	\$ 158,517
2015	13,868	50,917	64,785
2016	14,474	50,311	64,785
2017	15,108	49,677	64,785
2018	15,769	49,016	64,785
2019-2023	89,814	234,110	323,924
2024-2028	111,257	212,668	323,925
2029-2033	137,819	186,105	323,924
2034-2038	170,723	153,201	323,924
2039-2043	211,483	112,442	323,925
2044-2048	261,974	61,951	323,925
2049-2050	121,536	8,033	129,569
Totals	<u>\$ 1,266,914</u>	<u>\$ 1,223,859</u>	<u>\$ 2,490,773</u>

The Hospital leases certain equipment under a capital lease obligation. The following is a schedule of equipment and accumulated amortization:

	<u>Cost</u>	<u>Accumulated Amortization</u>
Laboratory equipment	<u>\$ 226,470</u>	<u>\$ 399,562</u>

Amortization of equipment under capital lease obligations was \$12,811 for 2013.

<u>Year Ending June 30,</u>	
2014	\$ 20,184
2015	11,774
Total future minimum lease payments	<u>31,958</u>
Less amount representing interest	<u>(1,230)</u>
Present value of future minimum lease payments	30,728
Less current portion	<u>(19,138)</u>
Total capital lease obligation, net of current portion	<u>\$ 11,590</u>

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
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NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 6. NET PATIENT SERVICE REVENUE:

The Hospital recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Hospital recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Hospital's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Hospital records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	Year Ending June 30, 2013
Patient service revenue (net of contractual Adjustments and discounts):	
Medicare	\$ 2,065,020
Medicaid	246,283
Other third-party payors	1,248,910
Patients	748,985
Subtotal	<u>4,309,198</u>
Less:	
Charity care	297,658
Provision for bad debts	<u>523,260</u>
Net patient service revenue	<u>\$ 3,488,280</u>

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- *Medicare* – Inpatient acute care services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. The Hospital is reimbursed for some items at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare administrative contractor.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 6. NET PATIENT SERVICE REVENUE: (CONTINUED)

- *Medicaid/SALUD!* – 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.

The Hospital also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, 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.

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. The net patient service revenue increased approximately \$30,000 in 2013, due to differences between original estimates and final settlements or revised estimates.

The Hospital provides charity care to patients who are financially unable to pay for the health care services they receive. The Hospital’s policy is not to pursue collection of amounts determined to qualify as charity care. Accordingly, the Hospital does not report these amounts in the net operating revenues or in the allowance for uncollectible accounts. The Hospital determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries, wages and benefits, supplies, and other operating expenses, based on data from its costing system. The costs of caring for charity care patients for the year ended June 30, 2013 were approximately \$336,000.

HOSPITAL NOTE 7. ELECTRONIC HEALTH RECORDS INCENTIVE PAYROLL:

The Hospital recognized Medicare and Medicaid electronic health records (HER) incentive payments during the year ended June 30, 2013. The EHR incentive payments are provided to invent hospitals and eligible providers to become meaningful users of EHR technology, not to reimburse providers for the cost of acquiring EHR assets. EHR incentive payments are therefore reported as operating revenue.

**STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 7. ELECTRONIC HEALTH RECORDS INCENTIVE PAYROLL: (CONTINUED)

The Hospital recognizes the Medicare incentive payment on the date that the Hospital has successfully complied with meaningful use criteria during the entire EHR reporting period. The Hospital attested to meaningful use with Centers for Medicare and Medicaid Services (CMS) in fiscal year 2013. The Medicare EHR reporting period is through September 30 of each year.

The Medicare incentive payment recognized is an estimate and subject to audit by CMS. The Medicare EHR incentive payment is based on the patient days and charity care reported in the Medicare cost report. Medicare incentive revenue of \$1,558,150 was recognized in 2013.

The Hospital recognizes the first of its three Medicaid incentive payments in the year that certified EHR technology is adopted, implemented, or upgraded or when such technology is meaningfully used under the Medicare EHR incentive program. The subsequent two payments will be issued when meaningful use is demonstrated under Medicare. A Medicaid incentive payment \$371,750 was recognized as revenue in 2013. Subsequent payments will be recognized when the Hospital has successfully complied with future meaningful use criteria.

HOSPITAL NOTE 8. MILL LEVY TAX:

A New Mexico law adopted in 1980 and amended in 1981, allows counties to provide expanded tax support to qualified hospitals. The Hospital received mill levy proceeds from the County approximating \$478,000 in 2013. Mill levies were used in accordance with the provisions of the 1980 Hospital Funding Act, as amended.

HOSPITAL NOTE 9. RETIREMENT PLANS:

The Hospital has a deferred compensation plan created in accordance with Internal Revenue Code §457. The name of the plan is Guadalupe County Hospital 457(b) Governmental Deferred Compensation Plan (the Compensation Plan). The Compensation Plan is available to all employees with at least 90 days of service and permits them to defer a portion of their salary until withdrawn in future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employee contributions to the Compensation Plan totaled \$57,825 for the year ended June 30, 2013.

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GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 9. RETIREMENT PLANS: (CONTINUED)

The Hospital provides a 401(a) profit-sharing pension plan for all employees with at least 90 days of service. The name of the plan is Guadalupe County Hospital 401(a) Plan (the Plan). The Hospital makes a contribution match of up to 3% of the employee's base wage. Employer contributions to the Plan are discretionary and are fully vested once the employee is eligible to participate in the 401(a) plan. The Hospital funds all retirement contributions and employees are not allowed to contribute to the Plan. Employer contributions to the Plan totaled approximately \$28,650 for the year ended June 30, 2013.

The plans are administered by the Hospital.

HOSPITAL NOTE 10. RISK MANAGEMENT AND CONTINGENCIES:

Medical malpractice claims – The Hospital has professional liability insurance coverage with Lexington Insurance Company. The policy provides protection on a "claims-made" basis whereby claims filed in the current year are covered by the current policy. If there are occurrences in the current year, these will only be covered in the year the claim is filed if claims-made coverage is obtained in that year or if the Hospital purchases insurance to cover prior acts. The current professional liability insurance provides \$3,000,000 per claim of primary coverage with an annual aggregate limit of \$3,000,000. The policy has a \$2,500 deductible per claim.

Industry regulations – The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditations, and government health care program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the Hospital is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions known or asserted at this time.

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2013

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 10. RISK MANAGEMENT AND CONTINGENCIES: (CONTINUED)

Health care reform – As a result of recently enacted federal health care reform legislation, substantial changes are anticipated in the United States of America’s health care system. Such legislation includes numerous provisions affecting the delivery of health care services, the financing of health care costs, reimbursement of health care providers, and the legal obligations of health insurers, providers, and employers. These provisions are currently slated to take effect at specified times over approximately the next decade. The federal health care reform legislation does not affect the 2013 financial statements.

HOSPITAL NOTE 11. CONCENTRATION OF RISK:

Receivables – The Hospital grants credit without collateral to its patients, most of who are local residents, and are insured under third-party payor agreements. The majority of these patients are geographically concentrated in and around Guadalupe County.

The mix of receivables from patients and third-party payors at June 30, 2013, was as follows:

	<u>Percentage</u>
Medicare	20
Medicaid	12
Patients	44
Commercial and Other	<u>24</u>
Total	<u>100</u>

Physicians – The Hospital is dependent on local physicians practicing in its service area to provide admissions and utilize hospital services on an outpatient basis. A decrease in the number of physicians providing these services or changes in their utilization patterns may have an adverse effect on hospital operations.

**STATE OF NEW MEXICO
GUADALUPE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 18. GUADALUPE COUNTY HOSPITAL (CONTINUED)

HOSPITAL NOTE 12. RELATED-PARTY TRANSACTIONS:

The Hospital entered into the following related-party transactions during the year ended June 30, 2013:

- The Hospital contracts with the Santa Rosa Medical Clinic (the Clinic) to provide on-call emergency and urgent medical services for the Hospital. The Clinic is owned by the Hospital's laboratory medical director. The amount paid to the Clinic in fiscal year 2013 was \$1,069,519.
- The Hospital also rents space to the Clinic. The revenue related to the rental agreement was approximately \$48,000 for fiscal year 2013.
- The Hospital paid the lodging expenses of the Tectime Software Associates that helped install the new accounting and billing system. The amount paid to Travelodge Motel owned by one of the Hospital's board members during fiscal year 2013 for these expenses was \$1,129.

HOSPITAL NOTE 13. 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.

HOSPITAL NOTE 14. COMMITMENTS:

On April 22, 2013, the Hospital entered into an agreement with Route 66 Pharmacy to purchase and take over operations of the pharmacy effective July 1, 2013. The purchase price of \$132,738, which was paid on July 25, 2013, equates to the cost of the pharmaceutical inventory as of June 30, 2013.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

STATE OF NEW MEXICO
GUADALUPE COUNTY
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS
JUNE 30, 2013

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 Fund – 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) Fund – 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.

STATE OF NEW MEXICO
GUADALUPE COUNTY
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS
JUNE 30, 2013

SPECIAL REVENUE FUNDS (CONTINUED)

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.

Rural Primary Health Care Act Fund – 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.

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

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

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

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

STATE OF NEW MEXICO
GUADALUPE COUNTY
NONMAJOR GOVERNMENTAL FUND DESCRIPTIONS
JUNE 30, 2013

SPECIAL REVENUE FUNDS (CONTINUED)

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

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

Homeland Security Fund – State grant issued by New Mexico 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 Fund – Funded by Aragonne Wind, LLC on an annual basis. The company makes annual payments to the County in an amount equal to \$1,517 per megawatt 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, 2013

	Corrections Fund 201	Environmental Gross Receipts Fund 202	County Property Valuation Fund 203	EMS Fund 206	E-911 Enhanced Fund 207
ASSETS					
<i>Current:</i>					
Cash and temporary investments	\$ 28,627	\$ 119,957	\$ 68,192	\$ 6,188	\$ -
Accounts receivable					
Property taxes	-	-	-	-	-
Intergovernmental	18,211	4,308	-	-	-
Other receivables	-	-	-	-	-
Prepaid insurance	-	-	-	-	-
Interfund balances	-	-	-	-	-
<i>Total current assets</i>	<u>\$ 46,838</u>	<u>\$ 124,265</u>	<u>\$ 68,192</u>	<u>\$ 6,188</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCE					
<i>Current Liabilities:</i>					
Accounts payable	31,787	5,825	-	10	17,241
Accrued payroll liabilities	-	3,523	-	-	-
Interfund balances	-	-	-	-	-
<i>Total current liabilities</i>	<u>31,787</u>	<u>9,348</u>	<u>-</u>	<u>10</u>	<u>17,241</u>
<i>Fund Balance:</i>					
Nonspendable	-	-	-	-	-
Restricted	15,051	114,917	68,192	6,178	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(17,241)
<i>Total fund balance</i>	<u>15,051</u>	<u>114,917</u>	<u>68,192</u>	<u>6,178</u>	<u>(17,241)</u>
<i>Total liabilities and fund balance</i>	<u>\$ 46,838</u>	<u>\$ 124,265</u>	<u>\$ 68,192</u>	<u>\$ 6,188</u>	<u>\$ -</u>

See Notes to Financial Statements

Farm and Range Fund 208	Anton Chico Fire Fund 2091	Puerto del Luna Fire Fund 2092	Guadalupe County Fire Fund 2093	Law Enforcement Fund 2110	Recreation Fund 217	Rural Primary Health Care Act Fund 2186
\$ 2,893	\$ 28,053	\$ 45,865	\$ 1,965	\$ 285	\$ 1,634	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	9,667
-	4,351	4,351	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 2,893</u>	<u>\$ 32,404</u>	<u>\$ 50,216</u>	<u>\$ 1,965</u>	<u>\$ 285</u>	<u>\$ 1,634</u>	<u>\$ 9,667</u>
-	299	123	-	-	-	10,000
-	-	-	-	-	-	-
-	-	-	-	-	-	9,667
-	299	123	-	-	-	19,667
-	4,351	4,351	-	-	-	-
2,893	27,754	45,742	1,965	285	1,634	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(10,000)
<u>2,893</u>	<u>32,105</u>	<u>50,093</u>	<u>1,965</u>	<u>285</u>	<u>1,634</u>	<u>(10,000)</u>
<u>\$ 2,893</u>	<u>\$ 32,404</u>	<u>\$ 50,216</u>	<u>\$ 1,965</u>	<u>\$ 285</u>	<u>\$ 1,634</u>	<u>\$ 9,667</u>

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2013

	La Loma Senior Center Fund 2191	Puerto del Luna Senior Center Fund 2192	DWI Grant Fund 2231	DWI Distribution Fund 2232	DWI Screening Fund 2233
ASSETS					
<i>Current:</i>					
Cash and temporary investments	\$ -	\$ -	\$ -	\$ 3,112	\$ 2,142
Accounts receivable					
Property taxes	-	-	-	-	-
Intergovernmental	-	-	13,635	-	-
Other receivables	-	-	-	-	-
Prepaid insurance	-	-	-	-	-
Interfund balances	-	-	-	-	-
<i>Total current assets</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,635</u>	<u>\$ 3,112</u>	<u>\$ 2,142</u>
LIABILITIES AND FUND BALANCE					
<i>Current Liabilities:</i>					
Accounts payable	3	-	-	-	23
Accrued payroll liabilities	-	-	502	1,029	-
Interfund balances	-	-	13,635	-	-
<i>Total current liabilities</i>	<u>3</u>	<u>-</u>	<u>14,137</u>	<u>1,029</u>	<u>23</u>
<i>Fund Balance:</i>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	2,083	2,119
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(3)	-	(502)	-	-
<i>Total fund balance</i>	<u>(3)</u>	<u>-</u>	<u>(502)</u>	<u>2,083</u>	<u>2,119</u>
<i>Total liabilities and fund balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,635</u>	<u>\$ 3,112</u>	<u>\$ 2,142</u>

See Notes to Financial Statements

DWI Donation Fund 2234	Recording and Filing Fund 225	Emergency Management Fund 2991	Homeland Security Fund 2992	Windmill Fund 2993	Total
\$ 3,506	\$ 21,190	\$ 487	\$ 6,943	\$ 137,392	\$ 478,431
-	-	-	-	-	-
-	-	-	728	-	46,549
-	-	-	-	-	-
-	-	-	-	-	8,702
-	-	-	-	-	-
<u>\$ 3,506</u>	<u>\$ 21,190</u>	<u>\$ 487</u>	<u>\$ 7,671</u>	<u>\$ 137,392</u>	<u>\$ 533,682</u>
-	-	-	-	-	65,311
-	-	1,118	-	-	6,172
-	-	-	-	-	23,302
-	-	1,118	-	-	94,785
-	-	-	-	-	8,702
-	21,190	-	7,671	-	317,674
-	-	-	-	-	-
3,506	-	-	-	137,392	140,898
-	-	(631)	-	-	(28,377)
<u>3,506</u>	<u>21,190</u>	<u>(631)</u>	<u>7,671</u>	<u>137,392</u>	<u>438,897</u>
<u>\$ 3,506</u>	<u>\$ 21,190</u>	<u>\$ 487</u>	<u>\$ 7,671</u>	<u>\$ 137,392</u>	<u>\$ 533,682</u>

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, 2013

	Corrections Fund 201	Environmental Gross Receipts Fund 202	County Property Valuation Fund 203	EMS Fund 206	E-911 Enhanced Fund 207
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	113,737	26,043	-	-	-
Other taxes	-	-	-	-	-
State grants	20,708	-	-	5,119	122,380
Federal grants	-	-	-	-	-
Licenses and fees	-	-	32,774	-	-
Charges for services	213,022	113,356	459	-	-
Investment income	-	-	-	-	-
Miscellaneous	-	411	400	-	-
<i>Total revenues</i>	<u>347,467</u>	<u>139,810</u>	<u>33,633</u>	<u>5,119</u>	<u>122,380</u>
<i>Expenditures:</i>					
Current					
General government	-	-	21,074	-	-
Public safety	353,557	-	-	5,731	139,621
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Public works	-	291,596	-	-	-
Capital outlay	-	-	4,517	-	-
Debt service					
Principal	13,571	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>367,128</u>	<u>291,596</u>	<u>25,591</u>	<u>5,731</u>	<u>139,621</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(19,661)</u>	<u>(151,786)</u>	<u>8,042</u>	<u>(612)</u>	<u>(17,241)</u>
<i>Other financing sources (uses):</i>					
Operating transfers in	-	149,728	-	-	-
Operating transfers (out)	-	-	(75)	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>149,728</u>	<u>(75)</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	(19,661)	(2,058)	7,967	(612)	(17,241)
<i>Fund balances - beginning of year</i>	<u>34,712</u>	<u>116,975</u>	<u>60,225</u>	<u>6,790</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 15,051</u>	<u>\$ 114,917</u>	<u>\$ 68,192</u>	<u>\$ 6,178</u>	<u>\$ (17,241)</u>

See Notes to Financial Statements

Farm and Range Fund 208	Anton Chico Fire Fund 2091	Puerto del Luna Fire Fund 2092	Guadalupe County Fire Fund 2093	Law Enforcement Fund 2110	Recreation Fund 217	Rural Primary Health Care Act Fund 2186
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	48,476	48,476	-	23,000	750	129,243
9,293	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,800	-	-	-	-
-	-	-	-	-	-	-
-	11,264	650	-	-	-	-
<u>9,293</u>	<u>59,740</u>	<u>50,926</u>	<u>-</u>	<u>23,000</u>	<u>750</u>	<u>129,243</u>
-	-	-	-	-	-	-
-	22,383	20,593	250	5,845	-	-
-	-	-	-	-	13,116	-
33,500	-	-	-	-	-	135,334
-	-	-	-	-	-	-
-	13,113	1,487	-	-	-	-
-	-	12,140	-	16,872	-	-
-	-	-	-	-	-	-
<u>33,500</u>	<u>35,496</u>	<u>34,220</u>	<u>250</u>	<u>22,717</u>	<u>13,116</u>	<u>135,334</u>
(24,207)	24,244	16,706	(250)	283	(12,366)	(6,091)
26,602	-	-	-	-	13,254	-
-	-	-	-	-	-	-
<u>26,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,254</u>	<u>-</u>
2,395	24,244	16,706	(250)	283	888	(6,091)
498	7,861	33,387	2,215	2	746	(3,909)
<u>\$ 2,893</u>	<u>\$ 32,105</u>	<u>\$ 50,093</u>	<u>\$ 1,965</u>	<u>\$ 285</u>	<u>\$ 1,634</u>	<u>\$ (10,000)</u>

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, 2013

	La Loma Senior Center Fund 2191	Puerto del Luna Senior Center Fund 2192	DWI Grant Fund 2231	DWI Distribution Fund 2232	DWI Screening Fund 2233
<i>Revenues:</i>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Gross receipts taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
State Grants	-	-	54,014	63,391	-
Federal Grants	-	-	-	-	-
Licenses and fees	-	-	-	-	-
Charges for services	-	-	-	-	3,010
Investment income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>54,014</u>	<u>63,391</u>	<u>3,010</u>
<i>Expenditures:</i>					
Current					
General government	-	-	-	-	-
Public safety	-	-	54,261	63,216	3,318
Culture and recreation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>54,261</u>	<u>63,216</u>	<u>3,318</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(247)</u>	<u>175</u>	<u>(308)</u>
<i>Other financing sources (uses):</i>					
Operating transfers in	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	-	-	(247)	175	(308)
<i>Fund balances - beginning of year</i>	<u>(3)</u>	<u>-</u>	<u>(255)</u>	<u>1,908</u>	<u>2,427</u>
<i>Fund balances - end of year</i>	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ (502)</u>	<u>\$ 2,083</u>	<u>\$ 2,119</u>

See Notes to Financial Statements

DWI Donation Fund 2234	Recording and Filing Fund 225	Emergency Management Fund 2991	Homeland Security Fund 2992	Windmill Fund 2993	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	139,780
-	-	-	-	-	-
-	-	31,124	-	-	546,681
-	-	-	204,467	-	213,760
-	6,574	-	-	-	39,348
-	-	-	-	-	331,647
-	-	-	-	-	-
2,457	-	-	539	136,568	152,289
<u>2,457</u>	<u>6,574</u>	<u>31,124</u>	<u>205,006</u>	<u>136,568</u>	<u>1,423,505</u>
-	5,837	-	-	-	26,911
350	-	62,189	82,577	-	813,891
-	-	-	-	-	13,116
-	-	-	-	-	168,834
-	-	-	-	-	291,596
-	4,517	-	67,880	-	91,514
-	-	-	-	-	42,583
-	-	-	-	-	-
<u>350</u>	<u>10,354</u>	<u>62,189</u>	<u>150,457</u>	<u>-</u>	<u>1,448,445</u>
<u>2,107</u>	<u>(3,780)</u>	<u>(31,065)</u>	<u>54,549</u>	<u>136,568</u>	<u>(24,940)</u>
-	-	46,874	16,119	-	252,577
-	-	-	-	(230,000)	(230,075)
-	-	<u>46,874</u>	<u>16,119</u>	<u>(230,000)</u>	<u>22,502</u>
2,107	(3,780)	15,809	70,668	(93,432)	(2,438)
<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>\$ 3,506</u>	<u>\$ 21,190</u>	<u>\$ (631)</u>	<u>\$ 7,671</u>	<u>\$ 137,392</u>	<u>\$ 438,897</u>

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 CORRECTIONS - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-3

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 94,500	\$ 94,500	\$ 113,737	\$ 19,237
Intergovernmental	32,000	32,000	13,285	(18,715)
Licenses and fees	-	-	-	-
Charges for services	185,000	185,000	213,022	28,022
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>311,500</u>	<u>311,500</u>	<u>340,044</u>	<u>28,544</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	335,000	335,000	334,942	58
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	13,572	13,572	13,571	1
Interest	-	-	-	-
<i>Total expenditures</i>	<u>348,572</u>	<u>348,572</u>	<u>348,513</u>	<u>59</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(37,072)</u>	<u>(37,072)</u>	<u>(8,469)</u>	<u>28,603</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	37,072	37,072	-	(37,072)
<i>Total other financing sources (uses)</i>	<u>37,072</u>	<u>37,072</u>	<u>-</u>	<u>(37,072)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(8,469)</u>	<u>\$ (8,469)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			7,423	
Changes in prepaids			-	
Changes in accounts payable			(18,615)	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (19,661)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 ENVIRONMENTAL GROSS RECEIPTS TAX - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-4

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ 20,500	\$ 20,500	\$ 22,936	\$ 2,436
Intergovernmental	-	-	-	-
Licenses and fees	-	-	-	-
Charges for services	114,000	114,000	113,356	(644)
Investment income	-	-	-	-
Miscellaneous	-	-	411	411
<i>Total revenues</i>	<u>134,500</u>	<u>134,500</u>	<u>136,703</u>	<u>2,203</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	256,644	270,959	260,493	10,466
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>256,644</u>	<u>270,959</u>	<u>260,493</u>	<u>10,466</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(122,144)</u>	<u>(136,459)</u>	<u>(123,790)</u>	<u>12,669</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	118,830	149,728	149,728	-
Operating transfers (out)	-	-	-	-
Designated cash	3,314	(13,269)	-	13,269
<i>Total other financing sources (uses)</i>	<u>122,144</u>	<u>136,459</u>	<u>149,728</u>	<u>13,269</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	25,938	<u>\$ 25,938</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			3,109	
Changes in prepaids			-	
Changes in accounts payable			(28,148)	
Changes in accrued liabilities			(2,957)	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (2,058)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 COUNTY PROPERTY VALUATION - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-5

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	25,000	25,000	32,774	7,774
Charges for services	-	-	459	459
Investment income	-	-	-	-
Miscellaneous	-	400	400	-
<i>Total revenues</i>	<u>25,000</u>	<u>25,400</u>	<u>33,633</u>	<u>8,233</u>
<i>Expenditures:</i>				
Current				
General government	48,229	48,554	21,714	26,840
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	5,000	5,000	4,517	483
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>53,229</u>	<u>53,554</u>	<u>26,231</u>	<u>27,323</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(28,229)</u>	<u>(28,154)</u>	<u>7,402</u>	<u>35,556</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(75)	(75)	-
Designated cash	28,229	28,229	-	(28,229)
<i>Total other financing sources (uses)</i>	<u>28,229</u>	<u>28,154</u>	<u>(75)</u>	<u>(28,229)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>7,327</u>	<u>\$ 7,327</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			586	
Changes in accrued liabilities			54	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 7,967</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 EMS - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-6

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,119	5,119	5,119	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,119</u>	<u>5,119</u>	<u>5,119</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	11,981	11,981	5,793	6,188
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,981</u>	<u>11,981</u>	<u>5,793</u>	<u>6,188</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,862)</u>	<u>(6,862)</u>	<u>(674)</u>	<u>6,188</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	6,862	6,862	-	(6,862)
<i>Total other financing sources (uses)</i>	<u>6,862</u>	<u>6,862</u>	<u>-</u>	<u>(6,862)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(674)</u>	<u>\$ (674)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			62	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (612)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 E-911 ENHANCED - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-7

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	527,797	566,126	122,380	(443,746)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>527,797</u>	<u>566,126</u>	<u>122,380</u>	<u>(443,746)</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	517,797	556,126	122,380	433,746
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	10,000	10,000	-	10,000
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>527,797</u>	<u>566,126</u>	<u>122,380</u>	<u>443,746</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>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			(17,241)	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (17,241)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 FARM AND RANGE - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-8

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,400	6,400	9,293	2,893
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>6,400</u>	<u>6,400</u>	<u>9,293</u>	<u>2,893</u>
<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	-	-	-	-
<i>Total expenditures</i>	<u>33,500</u>	<u>33,500</u>	<u>33,500</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(27,100)</u>	<u>(27,100)</u>	<u>(24,207)</u>	<u>2,893</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	26,602	26,602	26,602	-
Operating transfers (out)	-	-	-	-
Designated cash	498	498	-	(498)
<i>Total other financing sources (uses)</i>	<u>27,100</u>	<u>27,100</u>	<u>26,602</u>	<u>(498)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>2,395</u>	<u>\$ 2,395</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 2,395</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 ANTON CHICO FIRE - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-9

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	48,476	48,476	48,476	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	11,364	11,264	(100)
<i>Total revenues</i>	<u>48,476</u>	<u>59,840</u>	<u>59,740</u>	<u>(100)</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	45,809	46,159	19,616	26,543
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	11,014	13,113	(2,099)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>45,809</u>	<u>57,173</u>	<u>32,729</u>	<u>24,444</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,667</u>	<u>2,667</u>	<u>27,011</u>	<u>24,344</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	(2,667)	(2,667)	-	2,667
<i>Total other financing sources (uses)</i>	<u>(2,667)</u>	<u>(2,667)</u>	<u>-</u>	<u>2,667</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>27,011</u>	<u>\$ 27,011</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			(2,874)	
Changes in accounts payable			107	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 24,244</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 PUERTO DE LUNA FIRE - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-10

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	50,276	50,276	48,476	(1,800)
Licenses and fees	-	-	-	-
Charges for services	-	-	1,800	1,800
Investment income	-	-	-	-
Miscellaneous	-	650	650	-
<i>Total revenues</i>	<u>50,276</u>	<u>50,926</u>	<u>50,926</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	40,583	41,233	18,003	23,230
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	20,000	20,000	1,487	18,513
Debt service				
Principal	11,637	11,637	12,140	(503)
Interest	-	-	-	-
<i>Total expenditures</i>	<u>72,220</u>	<u>72,870</u>	<u>31,630</u>	<u>41,240</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(21,944)</u>	<u>(21,944)</u>	<u>19,296</u>	<u>41,240</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	21,944	21,944	-	(21,944)
<i>Total other financing sources (uses)</i>	<u>21,944</u>	<u>21,944</u>	<u>-</u>	<u>(21,944)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>19,296</u>	<u>\$ 19,296</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			(2,644)	
Changes in accounts payable			54	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 16,706</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 GUADALUPE COUNTY FIRE - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-11

	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	2,214	2,214	250	1,964
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,214</u>	<u>2,214</u>	<u>250</u>	<u>1,964</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,214)</u>	<u>(2,214)</u>	<u>(250)</u>	<u>1,964</u>
<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>	<u>2,214</u>	<u>2,214</u>	<u>-</u>	<u>(2,214)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(250)</u>	<u>\$ (250)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (250)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 LAW ENFORCEMENT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-12

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	23,000	23,000	23,000	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>23,000</u>	<u>23,000</u>	<u>23,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	6,156	6,156	5,845	311
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	16,846	16,846	16,872	(26)
Interest	-	-	-	-
<i>Total expenditures</i>	<u>23,002</u>	<u>23,002</u>	<u>22,717</u>	<u>285</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2)</u>	<u>(2)</u>	<u>283</u>	<u>285</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	2	2	-	(2)
<i>Total other financing sources (uses)</i>	<u>2</u>	<u>2</u>	<u>-</u>	<u>(2)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>283</u>	<u>\$ 283</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 283</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 RECREATION - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-13

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	750	750	-
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>750</u>	<u>750</u>	<u>-</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	14,000	14,750	13,116	1,634
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>14,000</u>	<u>14,750</u>	<u>13,116</u>	<u>1,634</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(14,000)</u>	<u>(14,000)</u>	<u>(12,366)</u>	<u>1,634</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	13,254	13,254	13,254	-
Operating transfers (out)	-	-	-	-
Designated cash	746	746	-	(746)
<i>Total other financing sources (uses)</i>	<u>14,000</u>	<u>14,000</u>	<u>13,254</u>	<u>(746)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>888</u>	<u>\$ 888</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 888</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 RURAL PRIMARY HEALTH CARE ACT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-14

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	148,666	148,666	131,092	(17,574)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>148,666</u>	<u>148,666</u>	<u>131,092</u>	<u>(17,574)</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	148,666	148,666	125,334	23,332
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>148,666</u>	<u>148,666</u>	<u>125,334</u>	<u>23,332</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>5,758</u>	<u>5,758</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>5,758</u>	<u>\$ 5,758</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			(1,849)	
Changes in prepaids			-	
Changes in accounts payable			(10,000)	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (6,091)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 LA LOMA SENIOR CENTER - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-15

	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	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 PUERTO DE LUNA SENIOR CENTER - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-16

	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	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ -</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 DWI GRANT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-17

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	60,861	60,861	51,895	(8,966)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>60,861</u>	<u>60,861</u>	<u>51,895</u>	<u>(8,966)</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	55,000	55,000	53,938	1,062
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>55,000</u>	<u>55,000</u>	<u>53,938</u>	<u>1,062</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,861</u>	<u>5,861</u>	<u>(2,043)</u>	<u>(7,904)</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	(5,861)	(5,861)	-	5,861
<i>Total other financing sources (uses)</i>	<u>(5,861)</u>	<u>(5,861)</u>	<u>-</u>	<u>5,861</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,043)</u>	<u>\$ (2,043)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			2,119	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			(323)	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (247)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 DWI DISTRIBUTION - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-18

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	61,500	61,500	63,391	1,891
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	61,500	61,500	63,391	1,891
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	63,592	63,592	62,371	1,221
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	63,592	63,592	62,371	1,221
<i>Excess (deficiency) of revenues over expenditures</i>	(2,092)	(2,092)	1,020	3,112
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	2,092	2,092	-	(2,092)
Total other financing sources (uses)	2,092	2,092	-	(2,092)
Net change in fund balances	\$ -	\$ -	1,020	\$ 1,020
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			(845)	
Net Change in Fund Balances (GAAP Basis)			\$ 175	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 DWI SCREENING - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-19

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,500	2,500	-	(2,500)
Licenses and fees	-	-	-	-
Charges for services	-	-	3,010	3,010
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>2,500</u>	<u>2,500</u>	<u>3,010</u>	<u>510</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	4,927	4,927	3,295	1,632
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,927</u>	<u>4,927</u>	<u>3,295</u>	<u>1,632</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,427)</u>	<u>(2,427)</u>	<u>(285)</u>	<u>2,142</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	2,427	2,427	-	(2,427)
<i>Total other financing sources (uses)</i>	<u>2,427</u>	<u>2,427</u>	<u>-</u>	<u>(2,427)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(285)</u>	<u>\$ (285)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			(23)	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (308)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 DWI DONATION - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-20

	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	683	683	2,457	1,774
<i>Total revenues</i>	<u>683</u>	<u>683</u>	<u>2,457</u>	<u>1,774</u>
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	2,082	2,082	350	1,732
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,082</u>	<u>2,082</u>	<u>350</u>	<u>1,732</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,399)</u>	<u>(1,399)</u>	<u>2,107</u>	<u>3,506</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	1,399	1,399	-	(1,399)
<i>Total other financing sources (uses)</i>	<u>1,399</u>	<u>1,399</u>	<u>-</u>	<u>(1,399)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>2,107</u>	<u>\$ 2,107</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ 2,107</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 RECORDING AND FILING - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-21

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Licenses and fees	5,000	5,000	6,574	1,574
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>5,000</u>	<u>5,000</u>	<u>6,574</u>	<u>1,574</u>
<i>Expenditures:</i>				
Current				
General government	21,271	21,271	5,837	15,434
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	8,500	8,500	4,517	3,983
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>29,771</u>	<u>29,771</u>	<u>10,354</u>	<u>19,417</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(24,771)</u>	<u>(24,771)</u>	<u>(3,780)</u>	<u>20,991</u>
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Designated cash	24,771	24,771	-	(24,771)
<i>Total other financing sources (uses)</i>	<u>24,771</u>	<u>24,771</u>	<u>-</u>	<u>(24,771)</u>
<i>Net change in fund balances</i>	<u>\$ -</u>	<u>\$ -</u>	<u>(3,780)</u>	<u>\$ (3,780)</u>
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			<u>\$ (3,780)</u>	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 EMERGENCY MANAGEMENT - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-22

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	47,360	62,941	31,124	(31,817)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	47,360	62,941	31,124	(31,817)
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	31,161	62,455	61,312	1,143
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	31,161	62,455	61,312	1,143
<i>Excess (deficiency) of revenues over expenditures</i>	16,199	486	(30,188)	(30,674)
<i>Other financing sources (uses):</i>				
Operating transfers in	-	46,874	46,874	-
Operating transfers (out)	-	-	-	-
Designated cash	(16,199)	(47,360)	-	47,360
Total other financing sources (uses)	(16,199)	(486)	46,874	47,360
Net change in fund balances	\$ -	\$ -	16,686	\$ 16,686
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			(877)	
Net Change in Fund Balances (GAAP Basis)			\$ 15,809	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 HOMELAND SECURITY - SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-23

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	224,690	340,021	203,739	(136,282)
Licenses and fees	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	539	539
Total revenues	224,690	340,021	204,278	(135,743)
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	156,832	288,282	82,577	205,705
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	-	-	-	-
Capital outlay	66,145	66,145	67,880	(1,735)
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	222,977	354,427	150,457	203,970
<i>Excess (deficiency) of revenues over expenditures</i>	1,713	(14,406)	53,821	68,227
<i>Other financing sources (uses):</i>				
Operating transfers in	-	16,119	16,119	-
Operating transfers (out)	-	-	-	-
Designated cash	(1,713)	(11,713)	-	11,713
Total other financing sources (uses)	(1,713)	4,406	16,119	11,713
Net change in fund balances	\$ -	\$ (10,000)	69,940	\$ 79,940
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			728	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			\$ 70,668	

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 WINDMILL-SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement B-24

	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	-
Total revenues	136,568	136,568	136,568	-
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	188,892	137,392	-	137,392
Capital outlay	-	-	-	-
Debt service				
Principal	178,500	-	-	-
Interest	-	-	-	-
Total expenditures	367,392	137,392	-	137,392
<i>Excess (deficiency) of revenues over expenditures</i>	(230,824)	(824)	136,568	137,392
<i>Other financing sources (uses):</i>				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	(230,000)	(230,000)	-
Designated cash	230,824	230,824	-	(230,824)
Total other financing sources (uses)	230,824	824	(230,000)	(230,824)
Net change in fund balances	\$ -	\$ -	(93,432)	\$ (93,432)
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			-	
Changes in prepaids			-	
Changes in accounts payable			-	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			\$ (93,432)	

See Notes to Financial Statements

CAPITAL PROJECT FUND

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 CAPITAL PROJECT FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES-BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2013

Statement C-1

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-
	Original	Final		Positive (Negative)
<i>Revenues:</i>				
Taxes	\$ 350,500	\$ 350,500	\$ 104,073	\$ (246,427)
Intergovernmental	1,254,186	1,954,186	1,006,353	(947,833)
Licenses and fees	-	-	-	-
Charges for services	8,500	64,500	295,579	231,079
Investment income	-	-	-	-
Miscellaneous	-	9,600	13,096	3,496
Total revenues	1,613,186	2,378,786	1,419,101	(959,685)
<i>Expenditures:</i>				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Public works	605,046	687,843	578,957	108,886
Capital outlay	1,070,191	1,967,336	1,374,596	592,740
Debt service				
Principal	304,842	238,442	342,859	(104,417)
Interest	28,461	28,461	29,214	(753)
Total expenditures	2,008,540	2,922,082	2,325,626	596,456
<i>Excess (deficiency) of revenues over expenditures</i>	(395,354)	(543,296)	(906,525)	(363,229)
<i>Other financing sources (uses):</i>				
Operating transfers in	-	230,000	230,000	-
Operating transfers (out)	(63,681)	(145,739)	(145,739)	-
Designated cash	297,373	379,431	-	(379,431)
Proceeds from issuance of debt	-	-	920,428	920,428
Total other financing sources (uses)	233,692	463,692	1,004,689	540,997
Net change in fund balances	\$ (161,662)	\$ (79,604)	98,164	\$ 177,768
<i>Reconciliation to GAAP basis:</i>				
Changes in receivables			(449,684)	
Changes in prepaids			-	
Changes in accounts payable			(101,213)	
Changes in accrued liabilities			-	
Net Change in Fund Balances (GAAP Basis)			\$ (452,733)	

See Notes to Financial Statements

FIDUCIARY FUNDS

**STATE OF NEW MEXICO
GUADALUPE COUNTY
FIDUCIARY FUNDS DESCRIPTIONS
JUNE 30, 2013**

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, 2013

Statement D-1

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
ASSETS				
Cash	\$ 500,312	\$ 14,728	\$ -	\$ 515,040
Property taxes receivable	404,758	1,958,146	1,917,256	445,648
<i>Total assets</i>	<u>\$ 905,070</u>	<u>\$ 1,972,874</u>	<u>\$ 1,917,256</u>	<u>\$ 960,688</u>
LIABILITIES				
Due to other taxing units	\$ 905,070	\$ 1,972,874	\$ 1,917,256	\$ 960,688
<i>Total liabilities</i>	<u>\$ 905,070</u>	<u>\$ 1,972,874</u>	<u>\$ 1,917,256</u>	<u>\$ 960,688</u>

See Notes to Financial Statements

SUPPORTING SCHEDULES

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY FOR PUBLIC FUNDS
 FOR THE YEAR ENDED JUNE 30, 2013

Schedule I

	Wells Fargo	FNB of New Mexico	Community First Bank	Total
Funds on Deposit				
Interest bearing deposits	\$ -	143,546	218,277	361,823
Non-interest bearing deposits	2,017,931	-	-	2,017,931
Certificates of deposit	1,215,022	-	102,473	1,317,495
<i>Total on deposit:</i>	3,232,953	143,546	320,750	3,697,249
Less: FDIC insurance	250,000	143,546	250,000	643,546
Total uninsured public funds:	2,982,953	-	70,750	3,053,703
Pledged Collateral Required:				
50% on deposits	1,491,477	-	35,375	1,526,852
Pledged Collateral at June 30, 2013	1,502,211	-	210,677	1,712,888
Excess (Deficiency):	\$ 10,734	-	175,302	186,036
Pledged Collateral				
Broker	Type of Security			
BNY Mellon - New York, NY				
	\$ 44,201	-	-	44,201
	225,450	-	-	225,450
	113,768	-	-	113,768
	532,153	-	-	532,153
	9,585	-	-	9,585
	4,848	-	-	4,848
	29,114	-	-	29,114
	4,897	-	-	4,897
	278,242	-	-	278,242
	221,658	-	-	221,658
	38,295	-	-	38,295
Vining Sparks - Memphis, TN				
	-	-	102,283	102,283
	-	-	108,394	108,394
Totals:	\$ 1,502,211	-	210,677	1,712,888

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
 JUNE 30, 2013

Schedule II

Bank Account Type/Name	Wells Fargo Bank	Community 1st Bank of Las Vegas	First National Bank of New Mexico	NMFA Bank	NM State Treasurer	Totals
Checking - Operational Accounts	\$ 2,017,313	\$ 218,277	\$ 143,546	\$ -	\$ -	\$ 2,379,136
Checking - Deferred Comp Account	573	-	-	-	-	573
Trust - Courthouse Reserve	-	-	-	31,049	-	31,049
Trust - Guadalupe County PG Reserve	-	-	-	59,657	-	59,657
Hospital Med Account	45	-	-	-	-	45
Certificates of Deposit	1,215,022	102,473	-	-	-	1,317,495
State Treasurer Investments	-	-	-	-	142	142
Total on Deposit	3,232,953	320,750	143,546	90,706	142	3,788,097
Reconciling Items	(508,456)	-	-	-	-	(508,456)
Reconciled Balance June 30, 2013	<u>\$ 2,724,497</u>	<u>\$ 320,750</u>	<u>\$ 143,546</u>	<u>\$ 90,706</u>	<u>\$ 142</u>	<u>3,279,641</u>
Petty Cash						<u>445</u>
Combined Balance Sheet Total June 30, 2013						<u>\$ 3,280,086</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 TAX ROLL RECONCILIATION - CHANGES IN PROPERTY TAXES RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 2013

Schedule III

Property taxes receivable, beginning of year	\$ 594,624
Changes to Tax Roll:	
Net taxes charged to treasurer for fiscal year	3,233,271
Adjustments:	
Increases in taxes receivables	3,949
Charge off of taxes receivables	<u>(23,992)</u>
Total receivables prior to collections	3,807,852
Collections for fiscal year ended June 30, 2013	<u>(3,189,112)</u>
Property taxes receivable at June 30, 2013	<u>\$ 618,740</u>
Property taxes are reported as follows	
Governmental Funds:	
County portion	173,092
Agency portion	<u>445,648</u>
Total property taxes receivable	<u>\$ 618,740</u>
Property taxes receivable by years:	
2003	8,032
2004	68,062
2005	71,472
2006	14,453
2007	24,051
2008	18,711
2009	25,925
2010	54,235
2011	125,079
2012	<u>208,720</u>
Total property taxes receivable	<u>\$ 618,740</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 TREASURER'S PROPERTY TAX SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2013

Schedule IV
 (Page 1 of 4)

	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 2003	923,613	1	921,152	1	921,152	-	-	-	2,461
Guadalupe County 2004	1,009,603	64	991,290	64	991,290	-	-	-	18,313
Guadalupe County 2005	1,050,858	134	1,029,918	134	1,029,918	-	-	-	20,940
Guadalupe County 2006	983,467	533	979,642	533	979,642	-	-	-	3,825
Guadalupe County 2007	1,051,951	1,956	1,047,319	1,956	1,047,319	-	-	-	4,632
Guadalupe County 2008	1,064,314	1,779	1,058,892	1,779	1,058,892	-	-	-	5,422
Guadalupe County 2009	1,175,227	7,790	1,175,200	7,790	1,175,200	-	-	-	27
Guadalupe County 2010	1,181,011	11,905	1,175,603	11,905	1,175,603	-	-	-	5,408
Guadalupe County 2011	1,251,137	38,450	1,212,297	38,450	1,212,297	-	-	-	38,840
Guadalupe County 2012	1,274,799	1,201,914	1,201,914	1,201,914	1,201,914	-	-	-	72,885
Total Guadalupe County	<u>10,965,980</u>	<u>1,264,526</u>	<u>10,793,227</u>	<u>1,264,526</u>	<u>10,793,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,753</u>
Administrative Fees 2003	237	-	236	-	236	-	-	-	1
Administrative Fees 2004	1,015	1	911	1	911	-	-	-	104
Administrative Fees 2005	263	1	260	1	260	-	-	-	3
Administrative Fees 2006	263	3	262	3	262	-	-	-	1
Administrative Fees 2007	288	3	288	3	288	-	-	-	-
Administrative Fees 2008	301	3	299	3	299	-	-	-	2
Administrative Fees 2009	269	2	262	2	262	-	-	-	7
Administrative Fees 2010	272	3	263	3	263	-	-	-	9
Administrative Fees 2011	292	17	279	17	279	-	-	-	13
Administrative Fees 2012	326	289	289	289	289	-	-	-	37
Total Administrative Fees	<u>3,526</u>	<u>322</u>	<u>3,349</u>	<u>322</u>	<u>3,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177</u>
Omitted Assessments Fee 2003	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2004	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2005	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2006	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2007	350	-	246	-	246	-	-	-	104
Omitted Assessments Fee 2008	645	-	589	-	589	-	-	-	56
Omitted Assessments Fee 2009	2,051	426	2,049	426	2,049	-	-	-	2
Omitted Assessments Fee 2010	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2011	-	-	-	-	-	-	-	-	-
Omitted Assessments Fee 2012	-	-	-	-	-	-	-	-	-
Total Omitted Assessments Fee	<u>3,046</u>	<u>426</u>	<u>2,884</u>	<u>426</u>	<u>2,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 TREASURER'S PROPERTY TAX SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2013

Schedule IV
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Guadalupe County Hospital 2003	363,362	17	362,288	17	362,288	-	-	-	1,074
Guadalupe County Hospital 2004	395,792	87	388,046	87	388,046	-	-	-	7,746
Guadalupe County Hospital 2005	412,145	108	404,347	108	404,347	-	-	-	7,798
Guadalupe County Hospital 2006	386,745	273	384,897	273	384,897	-	-	-	1,848
Guadalupe County Hospital 2007	411,873	383	408,942	383	408,942	-	-	-	2,931
Guadalupe County Hospital 2008	412,793	642	410,012	642	410,012	-	-	-	2,781
Guadalupe County Hospital 2009	455,385	2,433	452,366	2,433	452,366	-	-	-	3,019
Guadalupe County Hospital 2010	455,036	4,560	447,836	4,560	447,836	-	-	-	7,200
Guadalupe County Hospital 2011	481,486	4,560	453,449	4,560	453,449	-	-	-	28,037
Guadalupe County Hospital 2012	490,101	459,403	459,403	459,403	459,403	-	-	-	30,698
Total Guadalupe County Hospital	<u>4,264,718</u>	<u>472,466</u>	<u>4,171,586</u>	<u>472,466</u>	<u>4,171,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,132</u>
Total Guadalupe County	<u>15,237,270</u>	<u>1,737,740</u>	<u>14,971,046</u>	<u>1,737,740</u>	<u>14,971,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,224</u>

State of New Mexico

New Mexico State Treasurer 2003	164,727	-	164,120	-	164,120	-	-	-	607
New Mexico State Treasurer 2004	127,807	2	124,560	2	124,560	-	-	-	3,247
New Mexico State Treasurer 2005	162,228	24	158,963	24	158,963	-	-	-	3,265
New Mexico State Treasurer 2006	159,570	4	157,337	4	157,337	-	-	-	2,233
New Mexico State Treasurer 2007	167,113	5	165,124	5	165,124	-	-	-	1,989
New Mexico State Treasurer 2008	158,496	3	157,112	3	157,112	-	-	-	1,384
New Mexico State Treasurer 2009	159,369	2	157,399	2	157,399	-	-	-	1,970
New Mexico State Treasurer 2010	198,680	295	194,152	295	194,152	-	-	-	4,528
New Mexico State Treasurer 2011	197,535	7,479	190,735	7,479	190,735	-	-	-	6,800
New Mexico State Treasurer 2012	199,888	186,093	186,093	186,093	186,093	-	-	-	13,795
Total New Mexico State Treasurer	<u>1,695,413</u>	<u>193,907</u>	<u>1,655,595</u>	<u>193,907</u>	<u>1,655,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,818</u>
Total State of New Mexico	<u>1,695,413</u>	<u>193,907</u>	<u>1,655,595</u>	<u>193,907</u>	<u>1,655,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,818</u>

Municipalities

Municipality of Santa Rosa 2003	170,786	60	170,129.85	60	170,130	-	-	-	656
Municipality of Santa Rosa 2004	179,892	81	178,733.38	81	178,733	-	-	-	1,159
Municipality of Santa Rosa 2005	197,602	15	186,871.33	15	186,871	-	-	-	10,731
Municipality of Santa Rosa 2006	177,615	237	177,441.70	237	177,442	-	-	-	173
Municipality of Santa Rosa 2007	183,574	2	183,526.40	2	183,526	-	-	-	48
Municipality of Santa Rosa 2008	191,814	45	191,731.62	45	191,732	-	-	-	82
Municipality of Santa Rosa 2009	207,894	26	206,226.09	26	206,226	-	-	-	1,668
Municipality of Santa Rosa 2010	206,069	671	199,901.21	671	199,901	-	-	-	6,168
Municipality of Santa Rosa 2011	213,472	5,640	200,011	5,640	200,011	-	-	-	13,461
Municipality of Santa Rosa 2012	216,989	192,080	192,080	192,080	192,080	-	-	-	24,909
Total Municipality of Santa Rosa	<u>1,945,707</u>	<u>198,857</u>	<u>1,886,653</u>	<u>198,857</u>	<u>1,886,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,054</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 TREASURER'S PROPERTY TAX SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2013

Schedule IV
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Municipality of Vaughn 2003	46,231	26	46,206.15	26	46,206	-	-	-	25
Municipality of Vaughn 2004	46,998	23	46,962.62	23	46,963	-	-	-	35
Municipality of Vaughn 2005	48,142	25	48,095.67	25	48,096	-	-	-	46
Municipality of Vaughn 2006	47,236	74	47,179.30	74	47,179	-	-	-	57
Municipality of Vaughn 2007	46,892	116	46,049.60	116	46,050	-	-	-	842
Municipality of Vaughn 2008	46,890	1,443	45,204.18	1,443	45,204	-	-	-	1,686
Municipality of Vaughn 2009	48,101	659	47,464.91	659	47,465	-	-	-	636
Municipality of Vaughn 2010	46,920	4	45,227.79	4	45,228	-	-	-	1,692
Municipality of Vaughn 2011	49,516	6,732	49,503	6,732	49,503	-	-	-	13
Municipality of Vaughn 2012	50,332	48,020	48,020	48,020	48,020	-	-	-	2,312
Total Municipality of Vaughn	477,258	57,122	469,913	57,122	469,913	-	-	-	7,345
Total Municipalities	2,422,965	255,979	2,356,566	255,979	2,356,566	-	-	-	66,399
School District									
Santa Rosa Consolidated School #8 2003	678,792	3	676,370	3	676,370	-	-	-	2,422
Santa Rosa Consolidated School #8 2004	721,332	289	716,652	289	716,652	-	-	-	4,680
Santa Rosa Consolidated School #8 2005	783,498	124	760,927	124	760,927	-	-	-	22,571
Santa Rosa Consolidated School #8 2006	845,524	384	840,470	384	840,470	-	-	-	5,054
Santa Rosa Consolidated School #8 2007	799,040	395	787,522	395	787,522	-	-	-	11,518
Santa Rosa Consolidated School #8 2008	512,691	63	507,371	63	507,371	-	-	-	5,320
Santa Rosa Consolidated School #8 2009	849,315	44	834,706	44	834,706	-	-	-	14,609
Santa Rosa Consolidated School #8 2010	791,257	47	767,810	47	767,810	-	-	-	23,447
Santa Rosa Consolidated School #8 2011	648,557	24,561	627,062	24,561	627,062	-	-	-	21,495
Santa Rosa Consolidated School #8 2012	545,427	512,204	512,204	512,204	512,204	-	-	-	33,223
Total Santa Rosa Consolidated School #8	7,175,433	538,114	7,031,094	538,114	7,031,094	-	-	-	144,339
Vaughn Municipal School #33 2003	167,310	59	167,112	59	167,112	-	-	-	198
Vaughn Municipal School #33 2004	182,467	10	152,205	10	152,205	-	-	-	30,262
Vaughn Municipal School #33 2005	169,746	73	169,726	73	169,726	-	-	-	20
Vaughn Municipal School #33 2006	186,154	357	186,145	357	186,145	-	-	-	9
Vaughn Municipal School #33 2007	127,567	8	127,527	8	127,527	-	-	-	40
Vaughn Municipal School #33 2008	172,585	3,377	172,543	3,377	172,543	-	-	-	42
Vaughn Municipal School #33 2009	176,320	5,281	176,301	5,281	176,301	-	-	-	19
Vaughn Municipal School #33 2010	179,046	10,724	179,017	10,724	179,017	-	-	-	29
Vaughn Municipal School #33 2011	197,799	4,392	191,236	4,392	191,236	-	-	-	6,563
Vaughn Municipal School #33 2012	166,340	156,208	156,208	156,208	156,208	-	-	-	10,132
Total Vaughn Municipal School #33	1,725,334	180,489	1,678,020	180,489	1,678,020	-	-	-	47,314
Total School District	8,900,767	718,603	8,709,114	718,603	8,709,114	-	-	-	191,653

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 TREASURER'S PROPERTY TAX SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2013

Schedule IV
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Special District

Luna Vocational Technical institute 2003	180,318	8	179,761	8	179,761	-	-	-	557
Luna Vocational Technical institute 2004	204,010	84	202,729	84	202,729	-	-	-	1,281
Luna Community College 2005	212,250	35	206,158	35	206,158	-	-	-	6,092
Luna Community College 2006	193,819	130	192,735	130	192,735	-	-	-	1,084
Luna Community College 2007	206,470	365	204,687	365	204,687	-	-	-	1,783
Luna Community College 2008	208,998	457	207,226	457	207,226	-	-	-	1,772
Luna Community College 2009	233,886	128	230,106	128	230,106	-	-	-	3,780
Luna Community College 2010	233,968	1,553	228,697	1,553	228,697	-	-	-	5,271
Luna Community College 2011	247,099	8,064	238,501	8,064	238,501	-	-	-	8,598
Luna Community College 2012	247,385	229,444	229,444	229,444	229,444	-	-	-	17,941
Total Luna Community College	2,168,203	240,268	2,120,044	240,268	2,120,044	-	-	-	48,159
Watermaster 2003	4,827	202	4,823	202	4,823	-	-	-	4
Watermaster 2004	5,515	266	5,514	266	5,514	-	-	-	1
Watermaster 2005	3,296	121	3,292	121	3,292	-	-	-	4
Watermaster 2006	3,873	160	3,729	160	3,729	-	-	-	144
Watermaster 2007	3,762	10	3,624	10	3,624	-	-	-	138
Watermaster 2008	2,767	10	2,611	10	2,611	-	-	-	156
Watermaster 2009	2,384	4	2,204	4	2,204	-	-	-	180
Watermaster 2010	4,350	81	3,975	81	3,975	-	-	-	375
Watermaster 2011	3,817	414	2,780	414	2,780	-	-	-	1,037
Watermaster 2012	7,447	5,023	5,023	5,023	5,023	-	-	-	2,424
Total Watermaster	42,038	6,291	37,575	6,291	37,575	-	-	-	4,463
Guadalupe Soil and Water 2003	23,359	1	23,332	1	23,332	-	-	-	27
Guadalupe Soil and Water 2004	23,264	2	22,030	2	22,030	-	-	-	1,234
Guadalupe Soil and Water 2005	25,673	1	25,671	1	25,671	-	-	-	2
Guadalupe Soil and Water 2006	24,742	13	24,717	13	24,717	-	-	-	25
Guadalupe Soil and Water 2007	24,406	419	24,380	419	24,380	-	-	-	26
Guadalupe Soil and Water 2008	23,854	248	23,847	248	23,847	-	-	-	7
Guadalupe Soil and Water 2009	27,601	833	27,593	833	27,593	-	-	-	8
Guadalupe Soil and Water 2010	31,016	367	30,908	367	30,908	-	-	-	108
Guadalupe Soil and Water 2011	33,170	334	32,948	334	32,948	-	-	-	222
Guadalupe Soil and Water 2012	34,471	34,106	34,106	34,106	34,106	-	-	-	365
Total Guadalupe Soil and Water	271,556	36,324	269,532	36,324	269,532	-	-	-	2,024
Total Special District	2,481,797	282,883	2,427,151	282,883	2,427,151	-	-	-	54,646
Grand Total	30,738,212	3,189,112	30,119,472	3,189,112	30,119,472	-	-	-	618,740

See Notes to Financial Statements

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 SCHEDULE OF ADMINISTRATIVE AND PROGRAM EXPENSES
 YEAR ENDED JUNE 30, 2013

Schedule V

Federal Grantor or Pass-Through Grantor/Program Title	Units Served	Persons Served	Federal Expenditures
Title III B			
Administrative and program expenses	5728	42	\$ 3,843
Total Title III B			<u>3,843</u>
Title III C-1			
Administrative and program expenses	5530	118	11,762
Total Title III C-1			<u>11,762</u>
Title III C-2			
Administrative and program expenses	4414	95	5,708
Title Tile III C-2			<u>5,708</u>
NSIP			
Administrative and program expenses	4972	107	10,224
Total NSIP			<u>10,224</u>
Total expenditures from above			31,537
Total expenditures funded by other sources			<u>8,558,151</u>
Total expenditures			<u>\$ 8,589,688</u>

See Notes to Financial Statements

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 GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of Guadalupe County, New Mexico (the "County") as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and the combining and individual funds and related budgetary comparisons of the County, presented as supplemental information, and have issued our report thereon dated November 11, 2013. Our report includes a reference to other auditors who audited the financial statements of the Guadalupe County Hospital, as described in our report on Guadalupe County, New Mexico'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 other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered Guadalupe County, New Mexico's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control described in the accompanying *schedule of findings and questioned costs*, that we consider to be significant deficiencies: FS 2013-01 and FS 2013-02.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying *schedule of findings and questioned costs* as items FS 2013-03 and FS 2013-01 (Guadalupe County Hospital).

Guadalupe County, New Mexico's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying *schedule of findings and questioned costs*. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Axiom CPAs and Business Advisors, LLC
Albuquerque, New Mexico
November 11, 2013

FEDERAL FINANCIAL ASSISTANCE

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited Guadalupe County, New Mexico'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 Guadalupe County, New Mexico's major federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of 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, 2013.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questions costs as items FA 2013-1. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance.

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, detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal

control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirement of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

The logo for Axiom, featuring the word "Axiom" in a blue, cursive script font.

Axiom CPAs and Business Advisors, LLC
Albuquerque, New Mexico
November 11, 2013

STATE OF NEW MEXICO
 GUADALUPE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2013

Schedule VI

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) - Dental	3124	10.766	\$ 580,968
Total U.S. Department of Agriculture			<u>580,968</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grants - State Administered (1)	3124	14.228	500,000
Total U.S. Department of Housing and Urban Development			<u>500,000</u>
U.S. Department of the Interior			
Taylor Grazing	2080	15.226	9,293
Total U.S. Department of the Interior			<u>9,293</u>
U.S. Department of Health & Human Services			
Title III B	2190	93.044	3,843
Title III C-1	2190	93.045	11,762
Title III C-2	2190	93.045	5,708
NSIP	68025	93.053	10,224
Total U.S. Department of Health & Human Services			<u>31,537</u>
U.S. Department of Homeland Security			
Homeland Security Grant Program	2992	97.067	213,341
Total U.S. Department of Homeland Security			<u>213,341</u>
Total Federal Financial Assistance			<u>\$ 1,335,139</u>

(1) Denotes major federal assistance program

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Guadalupe County, New Mexico under programs of the federal government for the year ended June 30, 2013. 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*. Because the Schedule presents only a selected portion of the operations of Guadalupe County, New Mexico, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Guadalupe County, New Mexico.

2. Summary of Significant Accounting Policies

a) Expenditures reported on the Schedule are reported on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements.

b) Pass-through entity identifying numbers are presented where available

3. Subrecipients

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

4. Loan Balances Outstanding

The balances of all loans as of June 30, 2013 amounted to \$580,968.

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,335,139
Total expenditures funded by other sources	<u>7,281,790</u>
Total expenditures	<u>\$ 8,616,929</u>

See Notes to Financial Statements

SECTION I – SUMMARY OF AUDIT RESULTS

Financial Statements:

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

Federal Awards:

- | | |
|--|------------|
| 1. Internal control over major programs: | |
| a. Material weakness identified? | No |
| b. Significant deficiency identified not considered to be material weakness? | No |
| 2. Type of auditors' opinion issued on the <i>Report on Compliance for Each Major Program and on Internal Control over Compliance Required By OMB Circular A-133</i> | |
| | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance With section 510(a) of Circular A-133? | Yes |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
10.766	Community Facilities Loans and Grants
14.228	Community Development Block Grants

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| 6. Auditee qualified as low-risk auditee? | No |

SECTION II - FINANCIAL STATEMENT FINDINGS

FS 2013-01 – Cash Disbursements Control Deficiency (Significant Deficiency)

Condition: During testwork performed, we noted three out of a sample of 40 disbursements ranging from \$50.76 to \$371.12 where the Budget Account Balance was not written on the purchase requisition and another 8 out of the 40 disbursements ranging from \$21.53 to \$3,161.17 where there was not proper approval.

Criteria: Per County Policy, the purchase requisition should include the appropriate general ledger budget account amount available, and also requires appropriate approval by respective County management personnel.

Effect: The County was not in compliance with its purchasing policies and there is the risk for over spending and inappropriate purchases being made.

Cause: The County personnel in the respective positions overlooked and did not document approval on the required forms or the remaining budget amount available.

Auditors' Recommendations: We recommend the County personnel ensure all available amounts are recorded on the respective purchase requisition and all appropriate approvals are documented on the related documents in accordance with County Policy.

Management's Response: Management agrees and has revised the requisition form, where the available budget balance must be recorded on the requisition and prior to issuing a purchase order all appropriate approvals will be documented on requests.

FS 2013-02 – Segregation of Duties in Cash Receipts Process (Significant Deficiency)

Condition: Through current year evaluation of the cash receipts transaction cycle for solid waste, it was noted that the same individual performs all of the functions relating to billing for services, receiving cash, and reconciling the individual customer accounts.

Criteria: 6-5-2C NMSA 1978 states that an entity shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. Furthermore, adequate segregation of duties shall be considered for all control implementations in that no single individual has authority to initiate or conduct a transaction, process and record transactions, and maintain custody of an asset.

Effect: Access to billing customers for services, collecting receipts from customers, and reconciling their individual accounts is considered a segregation of duties violation (authorization, custody, and recordkeeping) and causes risk for billing and keeping receipts from customers and reconciling the discrepancies.

Cause: The County did not have adequate segregation of duties amongst the functions under the current processes it was using relating to these specific revenues/charges.

Auditors' Recommendations: It is recommended that the County Separate the cash receipts function from the billing and reconciliation functions for solid waste.

Management's Response: Management agrees and segregation of duties in cash receipting process has been implemented. The Treasurer's office will now collect all solid waste fees and administration office will continue to do monthly billing and reporting.

FS 2013-03 – Travel and Per Diem (Other Matters)

Condition: During testwork performed, we noted six out of a sample of 10 travel and per diem disbursements ranging from \$53.76 to \$216 where there was not documentation of proper approval.

Criteria: County policy requires that all travel and per diem expenditures be approved in writing by the County Manager

Effect: The County is not in compliance with their policies.

Cause: The County Manager did not sign the required reimbursement/travel form to document his/her approval.

Auditors' Recommendations: It is recommended that the County follow County Policy when authorizing and paying travel and per diem requests/reimbursements.

Management's Response: Management agrees and has informed staff that authorization must be made prior to issuing purchase orders. Staff agrees to get county managers approval on paying travel and per diem requests/reimbursements.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FA 2013-01 – Reporting (Other Compliance Matter)

Federal program information:

Funding agency: U.S. Department of Housing and Urban Development
Pass-through agency: State of New Mexico
Title: Community Development Block Grant
CFDA number: 14.228

Condition: During our single audit testwork we noted one instance where the County did not file the quarterly progress report in a timely manner by the required deadline.

Criteria: OMB Circular A-133 and the related grant agreement stated the quarterly progress report is due 10 days after the end of the quarter.

Questioned Costs: None

Effect: Late report filing is an instance of noncompliance in the County's internal controls over financial reporting.

Cause: The County personnel did not file the report in a timely fashion due to personnel error.

Auditor's Recommendations: We recommend the County establish a tracking process whereby they list the due dates for reporting and ensure all reports are filed within the allowed timeframe.

Management's Response: Management agrees and Project Manager has assured management that monthly reporting will be done on schedule and will establish a tracking process for reporting.

Guadalupe County - Hospital

FS 13-01 – Filing of Document with the State Auditor’s Office (Guadalupe County Hospital SA 13-01)

Condition: The Independent Public Accountant (IPA) Recommendation Form and audit contract were delivered to the Office of the State Auditor (OSA) on May 3, 2013.

Criteria: Compliance Finding Significant Deficiency Material Weakness

The IPA Recommendation Form and audit contract must be delivered to the OSA each year by April 15th.

Effect: The Hospital did not comply with New Mexico State Law.

Cause: There are no policies and procedures regarding the submission of these documents to the OSA.

Auditor’s Recommendations: Policies and procedures should be created that ensure that all required documents are filed with the OSA by the statutory deadlines.

Management’s Response: The Hospital will implement policies to ensure that all required documents are filed with the OSA by the statutory deadlines.

SECTION IV – PRIOR YEAR AUDIT FINDINGS

FS-06-01 Financial Records (Material Weakness) (Resolved)

SECTION V – OTHER DISCLOSURES

Exit Conference

An exit conference was conducted on October 11, 2013, with the following individuals:

Guadalupe County

Alvin V. Maestas, Sr., Commission Chairman
George Dodge Jr., County Manager
Rose Fernandez, Finance Director
Monica Abeyta, Projects Manager
Gloria Jean Chavez, Finance Officer

Axiom Certified Public Accountants and Business Advisors, LLC

Chris Garner, CPA, Partner
Christopher J. Schmitz, CPA, Manager

Auditor Prepared Financial Statements

Axiom Certified Public Accountants and Business Advisors, LLC prepared the GAAP-basis financial statements, related footnotes and supporting schedules from the original books and records provided to them by the management of the County. 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, and the County accepts responsibility for the financial statements.