

STATE OF NEW MEXICO
COUNTY OF HIDALGO
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED JUNE 30, 2008 and 2007

Prepared by
Marcus, Fairall, Bristol + Co., L.L.P.
Certified Public Accountants
6090 Surety Drive Suite 100
El Paso, Texas 79905
Telephone (915) 775-1040

INTRODUCTORY SECTION

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COUNTY OF HIDALGO
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**STATE OF NEW MEXICO
COUNTY OF HIDALGO
ANNUAL FINANCIAL REPORT
Official Roster
June 30, 2008**

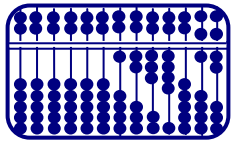
Elected Officials

Louise Peterson	Commissioner
Anthony Mora	Commissioner
Harold Kuenstler	Commissioner

Administrative Officials

Roger Ellis	County Manager
Priscilla Maxwell	County Dispatch Supervisor
Loretta Ward	County Detention Supervisor
Tommy Dimas	County Transfer Station Supervisor
Clarence Rudiger	County Road Supervisor
David Whipple	County Fire Marshall/Ambulance Supervis
Patsy Camacho	County Treasurer
Lloyd Payne	County Probate Judge
Tanya Lowery	County Assessor
Carmen Acosta	County Clerk
Robert Hall	County Sheriff

FINANCIAL SECTION



MARCUS,
FAIRALL,
BRISTOL + CO., L.L.P.

Independent Auditors Report

Hector H. Balderas
New Mexico State Auditor
The Board of Commissioners
County of Hidalgo
Lordsburg, New Mexico

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of County of Hidalgo, New Mexico, as of and for the years-ended June 30, 2008 and 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's non-major governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the years-ended June 30, 2008 and 2007 as listed in the table of contents. These financial statements are the responsibility of County of Hidalgo, New Mexico's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles of the United States of America used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of County of Hidalgo, New Mexico, as of June 30, 2008 and 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund, road fund, and fire fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund of County of Hidalgo, New Mexico, as of June 30, 2008 and 2007, and the respective changes in financial position and cash flows where applicable, thereof and the respective budgetary comparisons for the non-major governmental funds for the year ended June 30, 2008 are in conformity with accounting principles generally accepted in the United States of America.

The *Management's Discussion and Analysis*, on pages 3 through 13, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

A Firm of Certified Public Accountants
6090 Surety Drive, Suite 100 • El Paso, TX 79905 • (915) 775-1040
Facsimile:(915) 775-1849 • marcfair@marcfair.com

In accordance with *Government Auditing Standards*, we have also issued a report dated March 24, 2009 on our consideration of County of Hidalgo, New Mexico's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons of the County of Hidalgo, New Mexico. The accompanying information listed as Supporting Schedules 1 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis. Also, the accompanying Schedule of Changes in Assets and Liabilities - Agency Funds, as required by SAO Rule 2.2.2.10.AA, is presented for purposes of additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

Marcus, Fairall, Bristol + Co. L.L.P.

Marcus, Fairall, Bristol + Co., L.L.P.
El Paso, Texas

March 24, 2009

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
June 30, 2008**

Management's Discussion and Analysis

As management of County of Hidalgo, we offer readers of County of Hidalgo financial statements this narrative overview and analysis of the financial activities of County of Hidalgo for the fiscal year-ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with the financial statements of County of Hidalgo and additional information provided.

FINANCIAL HIGHLIGHTS

- The assets of County of Hidalgo exceeded its liabilities at the close of the most recent fiscal year by \$13,936,872 (*net assets*). Of this amount, \$6,214,134 (*unrestricted net assets*) may be used to meet the government's ongoing, obligations to citizens and creditors.
- The government's total net assets increased by \$32,452 during the fiscal year. The majority of this is due to an increase in grant revenue when compared to the year-ended June 30, 2007 by \$289,251.
- As of June 30, 2008, the County's governmental funds reported combined ending fund balances of \$9,025,289. Of this total, \$5,894,699 is restricted for debt service and capital projects.
- At the close of the current fiscal year, unreserved, undesignated fund balance of the general fund was \$4,773,920.
- During the year, the debt service decreased by \$168,126.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to County of Hidalgo's basic financial statements. County of Hidalgo's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of County of Hidalgo's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of County of Hidalgo's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of County of Hidalgo is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of County of Hidalgo that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of County of Hidalgo include general government, public safety, public works, culture and recreation, and health and welfare. The business-type activities of the County include ambulance services.

The government-wide financial statements can be found at exhibits A-1 thru A-4 of this report.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
June 30, 2008**

Management's Discussion and Analysis

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. County of Hidalgo, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of County of Hidalgo can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the County's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

County of Hidalgo maintains twenty-two individual governmental funds organized according to their type (special revenue, debt service and capital projects). Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund, Road Fund, and Fire Fund, all of which are considered to be major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

County of Hidalgo adopts an annual appropriated budget for its general fund and all other funds. A budgetary comparison statement has been provided for the General Fund, Road Fund and Fire Fund to demonstrate compliance with this budget. In addition, the individual financial statements of the non-major governmental fund types include budgetary comparison data.

The basic governmental fund financial statements can be found at exhibits B-1 through D-3 of this report.

Proprietary Funds. Proprietary funds are generally used to account for services for which the County charges customers – either outside customers or internal units or departments of the County. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The County maintains one proprietary fund and no component unit. The proprietary fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses a proprietary fund to account for the Ambulance operations of the County. The proprietary fund is considered to be a major fund of the County.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support County of Hidalgo's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

County of Hidalgo fiduciary funds account for the collection of property taxes and special fees and their remittance to other governmental agencies.

The basic fiduciary fund financial statements can be found at Exhibit E-1 of this report.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
June 30, 2008**

Management's Discussion and Analysis

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-49 of this report.

Combining Statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 53-94 of this report.

Analysis of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of County of Hidalgo, net assets exceeded liabilities by \$13,936,872 at the close of the current fiscal year. (See analysis on page 7.)

The large portion of County of Hidalgo's net assets represents the County's investment of \$4,592,148 in capital assets (e.g., land improvements, buildings, infrastructure and machinery and equipment), less any related outstanding debt used to acquire those assets. County of Hidalgo uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although County of Hidalgo's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

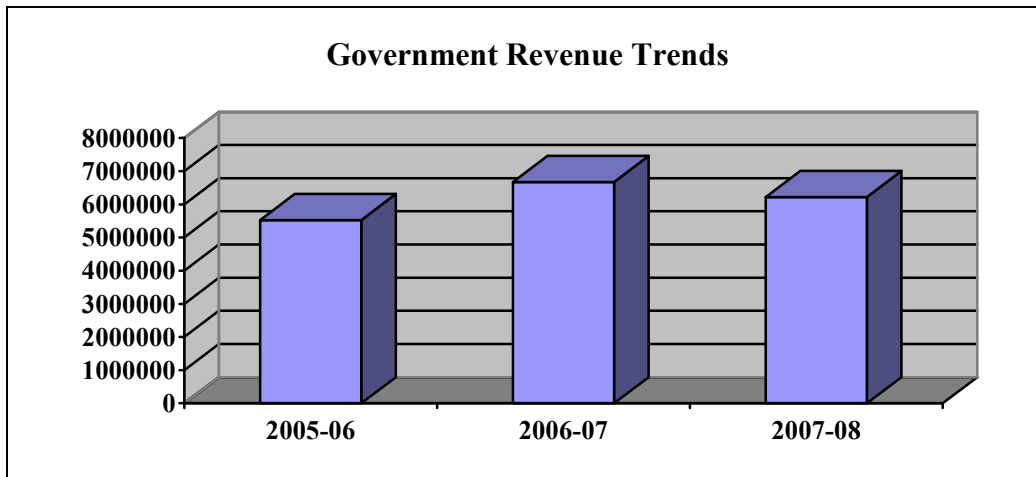
A portion of County of Hidalgo's net assets (less than one percent) represents resources that are subject to restrictions. The restrictions relate to covenants provided by the County's long-term debt issuance and capital projects. The remaining balance of *unrestricted net assets* \$6,214,134 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, County of Hidalgo is able to report positive balances in all three categories of net assets, for the government as a whole as well as for the business-type activities.

Analysis of Changes in Net Assets

During the current fiscal year, the County's net assets in governmental and business-type activities increased by \$32,452 during the current fiscal year. These increases are explained in the government activities discussion. (See analysis on page 8.)

Governmental Activities. Governmental activities increased County of Hidalgo's net assets by \$30,062. Grant revenue increased \$375,510 over grant revenue in prior year. Property taxes and gross receipts taxes contributed \$2,686,454 for covering the \$6,110,878 net program expense associated with governmental activities.



**STATE OF NEW MEXICO
COUNTY OF HIDALGO
June 30, 2008**

Management's Discussion and Analysis

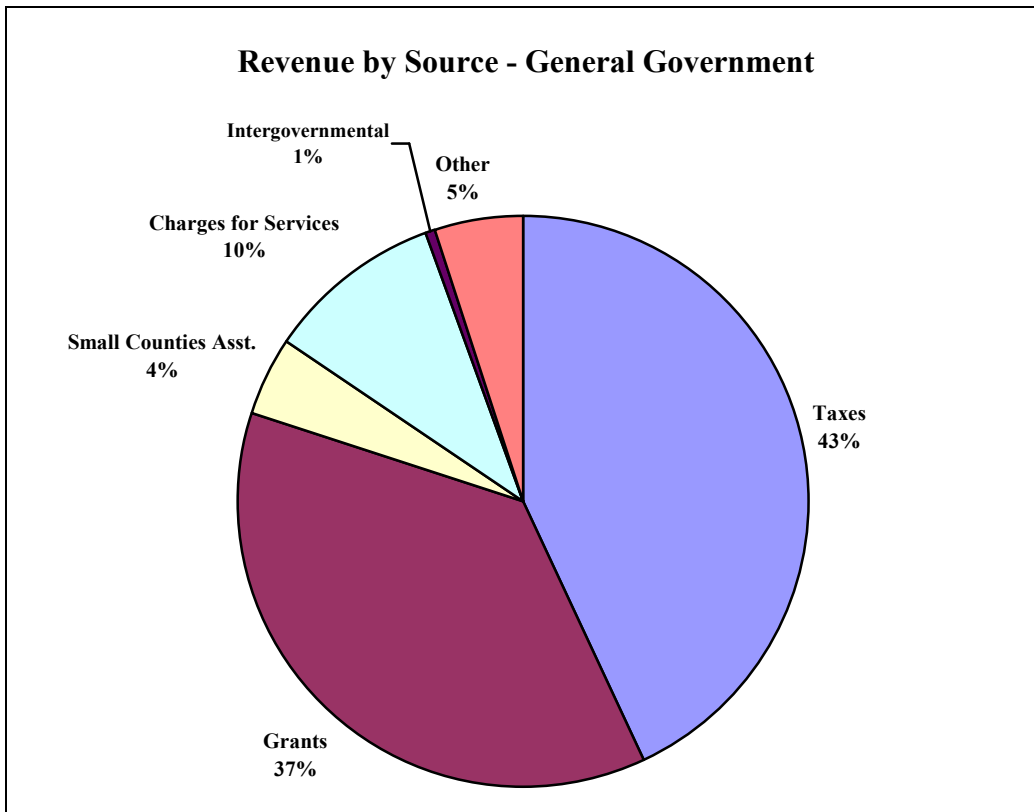
Analysis of Changes in Net Assets (continued)

Governmental revenues, consisting mostly of taxes, are not directly associated with any government function. The above chart provides a comparison of prior two years to the current year. The total revenues decreased \$449,249. Intergovernmental revenue decreased 95% as compared to the prior year.

Charges for services increased 48% from the prior year.

Other revenues for the current year decreased 63% from prior year.

Total revenues from governmental activities are summarized below. For fiscal year 2007-2008, Local and State taxes made up 48% of the total general fund revenues compared to 43% of the prior years revenues.



Business-Type Activities. Business-type activities decreased the County's net assets by \$77,610 before transfers of \$80,000 in from the general fund, compared to the prior year's decrease of \$12,942 before transfers of \$92,618 from the general fund. The key element of this decrease compared to the prior year change was a decrease in grant revenue for the ambulance service during the current year. However, the operating revenue and expenses had minor changes when compared to the prior year.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
June 30, 2008**

Management's Discussion and Analysis

Summary of Net Assets

	Governmental Activities		Business-Type Activities		Totals		Total Percent Change
	2008	2007	2008	2007	2008	2007	2007-2008
ASSETS							
Current and other assets	\$ 9,222,596	\$ 7,355,422	\$ 179,184	\$ 178,843	\$ 9,401,780	\$ 7,534,265	24.79%
Non current assets	192,112	224,885	-	-	192,112	224,885	-14.57%
Capital assets, net of accumulated depreciation	6,791,383	6,827,000	603,523	596,994	7,394,906	7,423,994	-0.39%
Total assets	\$ 16,206,091	\$ 14,407,307	\$ 782,707	\$ 775,837	\$ 16,988,798	\$ 15,183,144	11.89%
LIABILITIES							
Current and other liabilities	\$ 473,206	\$ 185,508	\$ 18,234	\$ 12,137	\$ 491,440	\$ 197,645	148.65%
Long-term liabilities	2,557,048	1,076,024	3,438	5,055	2,560,486	1,081,079	136.85%
Total liabilities	3,030,254	1,261,532	21,672	17,192	3,051,926	1,278,724	138.67%
NET ASSETS							
Invested in capital assets, net of related debt	3,988,625	5,777,489	603,523	596,994	4,592,148	6,374,483	-27.96%
Restricted	3,130,590	3,130,728	-	-	3,130,590	3,130,728	0.00%
Unrestricted	6,056,622	4,237,558	157,512	161,651	6,214,134	4,399,209	41.26%
Total net assets	13,175,837	13,145,775	761,035	758,645	13,936,872	13,904,420	0.23%
Total liabilities and net assets	\$ 16,206,091	\$ 14,407,307	\$ 782,707	\$ 775,837	\$ 16,988,798	\$ 15,183,144	11.89%

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
June 30, 2008**

**Management's Discussion and Analysis
Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Totals		Total Percentage Change
	2008	2007	2008	2007	2008	2007	2007-2008
REVENUES							
Program revenues:							
Charges for service	\$ 615,490	\$ 417,062	\$ 294,736	\$ 259,535	\$ 910,226	\$ 676,597	34.53%
Operating grants and contributions	1,557,337	535,643	-	-	1,557,337	535,643	190.74%
Capital grants and contributions	735,272	1,381,456	12,991	99,250	748,263	1,480,706	-49.47%
General revenues:							
Taxes	2,686,454	2,827,784	-	-	2,686,454	2,827,784	-5.00%
Other income	507,770	1,386,576	-	154	507,770	1,386,730	-63.38%
Interest income	118,617	138,242	2	-	118,619	138,242	-14.19%
Total revenues	<u>6,220,940</u>	<u>6,686,763</u>	<u>307,729</u>	<u>358,939</u>	<u>6,528,669</u>	<u>7,045,702</u>	-7.34%
EXPENSES							
General government	1,099,713	1,346,252	-	-	1,099,713	1,346,252	-18.31%
Public safety	3,270,209	1,576,672	-	-	3,270,209	1,576,672	107.41%
Public works	540,281	646,318	-	-	540,281	646,318	-16.41%
Health and welfare	733,374	755,517	-	-	733,374	755,517	-2.93%
Culture and recreation	467,301	84,326	-	-	467,301	84,326	
Proprietary expenses	-	-	385,339	371,881	385,339	371,881	3.62%
Total expenses	<u>6,110,878</u>	<u>4,409,085</u>	<u>385,339</u>	<u>371,881</u>	<u>6,496,217</u>	<u>4,780,966</u>	35.88%
Change in net assets before transfers	110,062	2,277,678	(77,610)	(12,942)	32,452	2,264,736	-98.57%
Transfers	<u>(80,000)</u>	<u>(92,618)</u>	<u>80,000</u>	<u>92,618</u>	<u>-</u>	<u>-</u>	
Change in net assets	<u>30,062</u>	<u>2,185,060</u>	<u>2,390</u>	<u>79,676</u>	<u>32,452</u>	<u>2,264,736</u>	-98.57%
Net assets - beginning	<u>13,145,775</u>	<u>10,960,715</u>	<u>758,645</u>	<u>678,969</u>	<u>13,904,420</u>	<u>11,639,684</u>	19.46%
Net assets - ending	<u>\$ 13,175,837</u>	<u>\$ 13,145,775</u>	<u>\$ 761,035</u>	<u>\$ 758,645</u>	<u>\$ 13,936,872</u>	<u>\$ 13,904,420</u>	0.23%

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
June 30, 2008**

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, County of Hidalgo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of County of Hidalgo's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing County of Hidalgo's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the County include the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Project Funds.

As of the end of the current fiscal year, County of Hidalgo's governmental funds reported combined ending fund balances of \$9,025,289, an increase of \$1,874,994 in comparison with the prior year. The increase is primarily due to the increase grant revenue. Approximately 65% of this total amount, \$5,894,699 constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to pay debt service and capital projects, \$3,130,590.

Revenues for governmental functions overall totaled approximately \$8,205,573 in the fiscal year-ended June 30, 2008, which represents an increase of \$1,194,872 from the fiscal year-ended June 30, 2007. Expenditures for governmental functions totaled \$6,250,579. This was an increase of approximately \$955,045 from the fiscal year-ended June 30, 2007. In the fiscal year-ended June 30, 2008, revenues for governmental functions exceeded expenditures by approximately \$1,954,994.

The General Fund is the chief operating fund of County of Hidalgo. At the end of the current fiscal year, *unreserved* fund balance of the General Fund was \$4,773,920.

The fund balance of County of Hidalgo's General Fund increased \$754,075 during the current fiscal year.

The Road Fund has total fund balance of \$282,984, all of which is unreserved. The net decrease in fund balance during the current year in the Road Fund was \$13,854. This decrease is due primarily to necessary road repairs due to flooding.

The Fire Fund has a total fund balance of \$837,795, all of which is unreserved. The net increase in fund balance during the current year in the Fire Fund was \$27,345. This increase is due primarily to state allotment revenue received for the year.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net assets for Ambulance were \$157,512. The total decrease in net assets for the Proprietary Funds was \$2,390. Factors concerning the finances of this fund have been addressed previously in the discussion of the County's business-type activities.

Fiduciary Funds. The County maintains fiduciary funds for the assets of various agency funds. Changes to the fiduciary funds were immaterial for the fiscal year.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
June 30, 2008**

Management's Discussion and Analysis

Budgetary Highlights

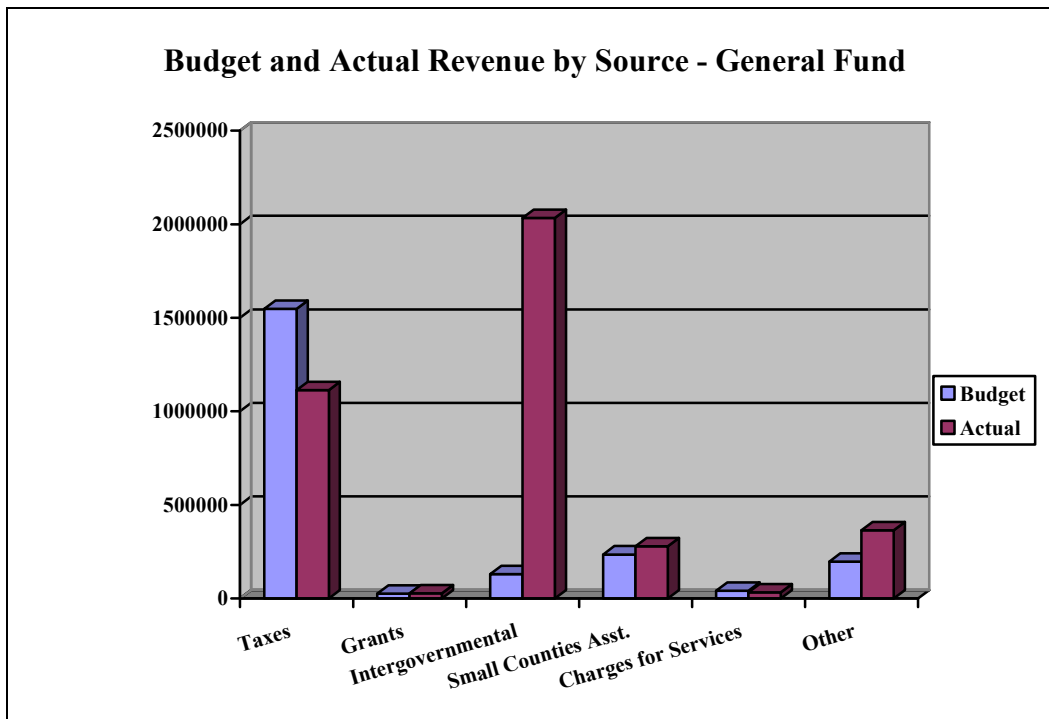
County budgets reflect the same pattern as seen in the revenue and expenditures of the County. The State of New Mexico budget process is defined under State law and regulation. To enhance the process of developing a budget at the county level, County of Hidalgo utilizes goals and objectives defined by the County Commissioners, community input meetings, long-term plans and input from various staff groups to develop the County budget. County priorities are well defined through this process.

GASB Statement No. 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

General Fund Budgetary Highlights. The General Fund accounts for all of the general services provided by the County of Hidalgo.

The County has not modified the budget throughout the fiscal year. If modifications were needed, this is done with resolutions to the budget.

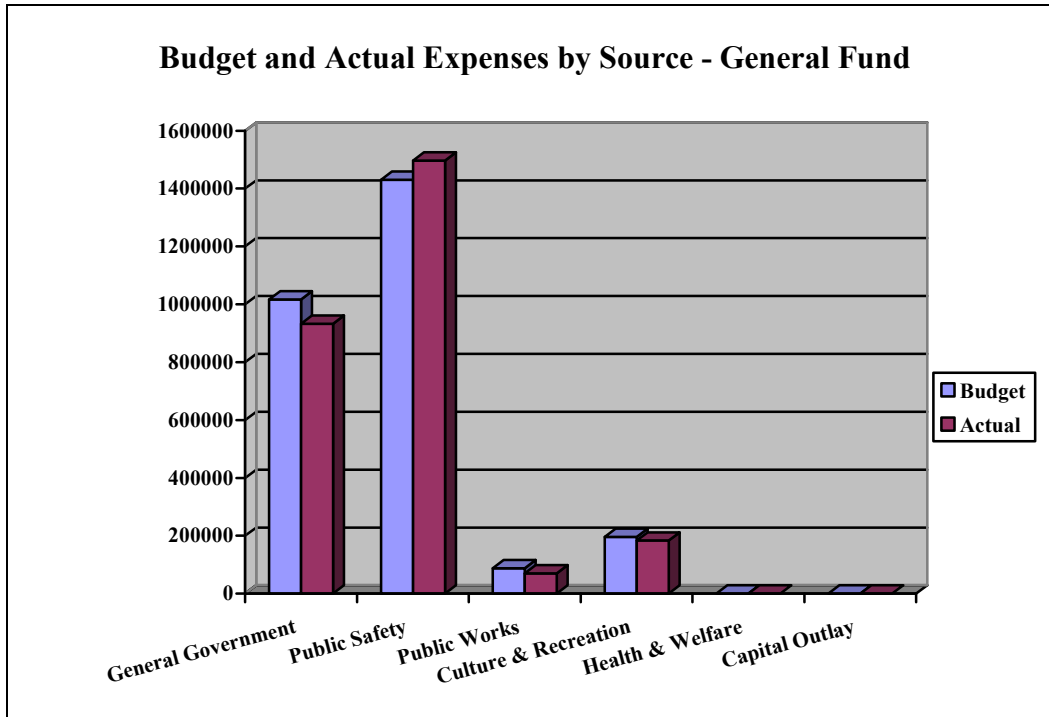
Change in Cash and Investments. At the end of 2008, the cash and investments balance of the General Fund had decreased by \$809,801. The following chart demonstrates a summary of the major revenue sources received compared to the approved budget for the General Fund.



**STATE OF NEW MEXICO
COUNTY OF HIDALGO
June 30, 2008**

Management's Discussion and Analysis

General government expenditures include all administrative functions of the County which include: County Commissioners, Administration, Finance, Maintenance, Public Safety, Road Repairs, Health and Welfare, and Culture and Recreation. The following chart shows a summary of functional categories for expenditures:



Capital Asset and Debt Administration

Capital Assets. The County of Hidalgo's capital assets for its governmental and business-type activities as of June 30, 2008 amount to \$7,569,981 (net of accumulated depreciation). Capital assets include land improvements, buildings, machinery, equipment and infrastructure. The total increase in the County's capital assets (excluding accumulated depreciation) for the current fiscal year was \$861,681 for governmental activities, which included construction projects totaling \$205,166 still in progress at the end of the year. Equipment costing \$447,797 was purchased for the County. The deletions in the governmental funds consisted of the disposal of obsolete equipment costing \$29,689. The total increase in business-type capital assets (excluding accumulated depreciation) for the current fiscal year was \$49,951, which included construction projects totaling \$49,616 still in progress at the end of the year. The deletions in the business-type funds also consisted of the disposal of obsolete equipment costing \$16,070.

**Capital Assets, Net of Depreciation
June 30, 2008**

	Governmental Activities	Business-Type Activities	Totals
Land and Construction in Process	\$ 899,636	\$ 49,616	\$ 949,252
Buildings	3,444,581	308,074	3,752,655
Improvements and infrastrucutor	218,157	-	
Furniture and Equipment	2,229,009	245,833	2,474,842
Capital Assets, Net of Accumulated Depreciation	<u>\$ 6,791,383</u>	<u>\$ 603,523</u>	<u>\$ 7,176,749</u>

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
June 30, 2008**

Management's Discussion and Analysis

Capital Assets (continued). For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Fund financial statements record capital asset purchases as expenditures. See Note 5 in the accompanying Notes to the Financial Statements for further information regarding capital assets.

The Statement of Net Assets shows the Investment in Capital Assets-Governmental Funds in the amount of \$3,988,625. This investment includes the land, buildings, land and building improvements, equipment, construction in progress, and all applicable debt service.

The County's loans decreased \$231,387 through principal payments, and the County incurred a new loan for \$1,984,634 for the detention center. Additional information on the County's debt can be found in Note 6.

The following is a schedule showing the Net Value of the Capital Assets and the application of the principal balances of the notes as of the fiscal year end:

	Government Activities	Business-Type Activities	Balance as of June 30, 2008
Net value of capital assets	\$ 6,791,383	\$ 603,523	\$ 7,394,906
Long-term debt principal balance:			
Revenue bond	818,124	-	818,124
Fire truck loan	-	-	
Detention center	1,984,634	-	1,984,634
Total Long-term debt balance	2,802,758	-	2,802,758
Total investment in capital assets			
Net of related debt	\$ 3,988,625	\$ 603,523	\$ 4,592,148

Economic Factors and Next Year's Budgets and Rates

- Inflationary trends in the region compare favorably to national indices.
- The reopening of the Morenci Mine has made a significant impact on the economy of the County of Hidalgo.

The above factors were considered in preparing County of Hidalgo's budget for the 2009 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of County of Hidalgo's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County of Hidalgo Administration, County of Hidalgo, 300 South Shakespeare, Lordsburg, New Mexico, 88045.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Government-wide Statement of Net Assets
June 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 6,262,283	\$ 82,366	\$ 6,344,649
Accounts receivables	-	96,818	96,818
Taxes receivable	204,042	-	204,042
Other receivables	15,986	-	15,986
Reserve funds	129,863	-	129,863
Due from other governments	2,610,422	-	2,610,422
Total current assets	9,222,596	179,184	9,401,780
Non-current assets			
Long-term receivable from City of Lordsburg	192,112	-	192,112
Capital assets	12,784,235	1,196,548	13,980,783
Less: accumulated depreciation	(5,992,852)	(593,025)	(6,585,877)
Total non-current assets	6,983,495	603,523	7,587,018
Total assets	16,206,091	782,707	16,988,798
LIABILITIES			
Current liabilities			
Accounts payable	107,673	4,262	111,935
Accrued salaries	66,014	10,534	76,548
Deferred revenue	23,620	-	23,620
Long-term liabilities			
Due within one year	275,899	3,438	279,337
Due in more than one year	2,557,048	3,438	2,560,486
Total liabilities	3,030,254	21,672	3,051,926
NET ASSETS			
Invested in capital assets, net of related debt	3,988,625	603,523	4,592,148
Restricted for:			
Debt service	208,783	-	208,783
Capital projects	1,085,351	-	1,085,351
Special revenue funds	1,836,456	-	1,836,456
Unrestricted	6,056,622	157,512	6,214,134
Total net assets	\$ 13,175,837	\$ 761,035	\$ 13,936,872

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Government-wide Statement of Net Assets
June 30, 2007

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 6,630,662	\$ 120,686	\$ 6,751,348
Accounts receivables	-	58,157	58,157
Taxes receivable	165,817	-	165,817
Other receivables	55,758	-	55,758
Due from other governments	503,185	-	503,185
Total current assets	<u>7,355,422</u>	<u>178,843</u>	<u>7,534,265</u>
Non-current assets			
Long-term receivable from City of Lordsburg	224,885	-	224,885
Capital assets	12,097,629	1,146,597	13,244,226
Less: accumulated depreciation	(5,270,629)	(549,603)	(5,820,232)
Total non-current assets	<u>7,051,885</u>	<u>596,994</u>	<u>7,648,879</u>
Total assets	<u>14,407,307</u>	<u>775,837</u>	<u>15,183,144</u>
LIABILITIES			
Current liabilities			
Accounts payable	123,161	1,161	124,322
Accrued salaries	59,436	10,976	70,412
Accrued interest	2,911	-	2,911
Long-term liabilities			
Due within one year	205,990	2,527	208,517
Due in more than one year	870,034	2,528	872,562
Total liabilities	<u>1,261,532</u>	<u>17,192</u>	<u>1,278,724</u>
NET ASSETS			
Invested in capital assets, net of related debt	5,777,489	596,994	6,374,483
Restricted for:			
Debt service	40,657	-	40,657
Capital projects	377,318	-	377,318
Special revenue funds	2,712,753	-	2,712,753
Unrestricted	4,237,558	161,651	4,399,209
Total net assets	<u>\$ 13,145,775</u>	<u>\$ 758,645</u>	<u>\$ 13,904,420</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Statement of Activities
June 30, 2008**

FUNCTIONS/PROGRAMS	Programs				Net (Expense) Revenue and Changes in Net Assets Primary Government		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 1,099,713	\$ 69,019	\$ -	\$ -	\$ (1,030,694)	\$ -	\$ (1,030,694)
Public safety	3,270,209	320,426	1,446,893	3,495	(1,499,395)	-	(1,499,395)
Public works	540,281	22,183	-	731,777	213,679	-	213,679
Health and welfare	733,374	203,862	99,081	-	(430,431)	-	(430,431)
Culture and recreation	467,301	-	11,363	-	(455,938)	-	(455,938)
Total governmental activities	<u>6,110,878</u>	<u>615,490</u>	<u>1,557,337</u>	<u>735,272</u>	<u>(3,202,779)</u>	<u>-</u>	<u>(3,202,779)</u>
Business-type activities							
Ambulance service	385,339	294,736	-	12,991	-	(77,612)	(77,612)
Total business-type activities	<u>385,339</u>	<u>294,736</u>	<u>-</u>	<u>12,991</u>	<u>-</u>	<u>(77,612)</u>	<u>(77,612)</u>
Total primary government					<u>(3,202,779)</u>	<u>(77,612)</u>	<u>(3,280,391)</u>
General revenues:							
Taxes							
Property taxes					1,440,883	-	1,440,883
Motor vehicle taxes					271,328	-	271,328
Gasoline taxes					146,319	-	146,319
Cigarette taxes					2,715	-	2,715
Gross receipts taxes					825,209	-	825,209
State shared assistance							
Small counties assistance					279,000	-	279,000
Intergovernmental income					35,501	-	35,501
License and fines					2,450	-	2,450
Investment income					118,617	-	118,617
Miscellaneous					190,819	2	190,821
Transfers					(80,000)	80,000	-
Total general revenues and transfers					<u>3,232,841</u>	<u>80,002</u>	<u>3,312,843</u>
Change in net assets					30,062	2,390	32,452
Net assets-beginning					<u>13,145,775</u>	<u>758,645</u>	<u>13,904,420</u>
Net assets-ending					<u>\$ 13,175,837</u>	<u>\$ 761,035</u>	<u>\$ 13,936,872</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Statement of Activities
June 30, 2007**

FUNCTIONS/PROGRAMS	Programs				Net (Expense) Revenue and Changes in Net Assets Primary Government		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 1,346,252	\$ 107,170	\$ -	\$ -	\$ (1,239,082)	\$ -	\$ (1,239,082)
Public safety	1,576,672	123,663	451,828	180,000	(821,181)	-	(821,181)
Public works	646,318	-	-	1,191,592	545,274	-	545,274
Health and welfare	755,517	186,229	83,815	-	(485,473)	-	(485,473)
Culture and recreation	84,326	-	-	9,864	(74,462)	-	(74,462)
Total governmental activities	4,409,085	417,062	535,643	1,381,456	(2,074,924)	-	(2,074,924)
Business-type activities							
Ambulance service	371,881	259,535	-	99,250	-	(13,096)	(13,096)
Total business-type activities	371,881	259,535	-	99,250	-	(13,096)	(13,096)
Total primary government					(2,074,924)	(13,096)	(2,088,020)
General revenues:							
Taxes							
Property taxes					1,834,950	-	1,834,950
Motor vehicle taxes					163,481	-	163,481
Gasoline taxes					114,540	-	114,540
Cigarette taxes					2,665	-	2,665
Gross receipts taxes					712,148	-	712,148
State shared assistance							
Small counties assistance					235,000	-	235,000
Intergovernmental income					773,838	-	773,838
Investment income					138,242	-	138,242
Miscellaneous					377,738	154	377,892
Transfers					(92,618)	92,618	-
Total general revenues and transfers					4,259,984	92,772	4,352,756
Change in net assets					2,185,060	79,676	2,264,736
Net assets-beginning					10,960,715	678,969	11,639,684
Net assets-ending					\$ 13,145,775	\$ 758,645	\$ 13,904,420

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

GOVERNMENTAL FUNDS

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Governmental Funds
Balance Sheet
June 30, 2008**

ASSETS	General Fund	Road Fund	Fire Fund	Total Non- Major Funds	Total Funds
Cash	\$2,681,258	\$ 163,760	\$ 843,987	\$2,573,278	\$6,262,283
Taxes receivable	204,042	-	-	-	204,042
Other receivables	-	-	-	15,986	15,986
Reserve funds	129,863	-	-	-	129,863
Due from other funds	-	-	-	-	-
Due from other governments	1,855,206	126,021	-	629,195	2,610,422
Total assets	<u>\$4,870,369</u>	<u>\$ 289,781</u>	<u>\$ 843,987</u>	<u>\$3,218,459</u>	<u>\$9,222,596</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 24,445	\$ 730	\$ 6,192	\$ 76,306	\$ 107,673
Accrued salaries	48,384	6,067	-	11,563	66,014
Deferred revenue	23,620	-	-	-	23,620
Due to other funds	-	-	-	-	-
Total liabilities	<u>96,449</u>	<u>6,797</u>	<u>6,192</u>	<u>87,869</u>	<u>197,307</u>
 Fund Balances:					
Reserved for debt service	-	-	-	208,783	208,783
Reserved for capital projects	-	-	-	1,085,351	1,085,351
Unreserved for special revenue funds	-	-	-	1,836,456	1,836,456
Unreserved	4,773,920	282,984	837,795	-	5,894,699
Total fund balances	<u>4,773,920</u>	<u>282,984</u>	<u>837,795</u>	<u>3,130,590</u>	<u>9,025,289</u>
 Total liabilities and fund balances	 <u>\$4,870,369</u>	 <u>\$ 289,781</u>	 <u>\$ 843,987</u>	 <u>\$3,218,459</u>	 <u>\$9,222,596</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Assets
June 30, 2008**

Total fund balances – total governmental funds	\$ 9,025,289
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	6,791,383
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:	
Property taxes	-
Deferred revenue related to account receivable from City of Lordsburg	192,112
Deferred interest on long-term debt is not expensed in the governmental funds	-
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(2,832,947)</u>
Total net assets - governmental activities	<u><u>\$ 13,175,837</u></u>

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Governmental Funds
Balance Sheet
June 30, 2007

ASSETS	General Fund	Road Fund	Fire Fund	Total Non- Major Funds	Total Funds
Cash	\$3,491,059	\$ 320,477	\$ 828,920	\$1,990,206	\$6,630,662
Taxes receivable	165,817	-	-	-	165,817
Other receivables	24,156	-	-	31,602	55,758
Due from other funds	278	-	-	-	278
Due from other governments	426,684	-	-	76,501	503,185
Total assets	<u>\$4,107,994</u>	<u>\$ 320,477</u>	<u>\$ 828,920</u>	<u>\$2,098,309</u>	<u>\$7,355,700</u>
 LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 20,927	\$ 18,543	\$ 18,470	\$ 65,221	\$ 123,161
Accrued salaries	44,692	5,096	-	9,648	59,436
Deferred revenue	22,530	-	-	-	22,530
Due to other funds	-	-	-	278	278
Total liabilities	<u>88,149</u>	<u>23,639</u>	<u>18,470</u>	<u>75,147</u>	<u>205,405</u>
 Fund Balances:					
Reserved for debt service	-	-	-	40,657	40,657
Reserved for capital projects	-	-	-	947,790	947,790
Unreserved for special revenue funds	-	296,838	810,450	1,034,715	2,142,003
Unreserved	4,019,845	-	-	-	4,019,845
Total fund balances	<u>4,019,845</u>	<u>296,838</u>	<u>810,450</u>	<u>2,023,162</u>	<u>7,150,295</u>
Total liabilities and fund balances	<u>\$4,107,994</u>	<u>\$ 320,477</u>	<u>\$ 828,920</u>	<u>\$2,098,309</u>	<u>\$7,355,700</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Assets
June 30, 2007**

Total fund balances – total governmental funds	\$ 7,150,295
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	6,827,000
Other long-term assets are not available to pay for current period expenditures and therefore, are deferred in the funds:	
Property taxes	22,530
Deferred revenue related to account receivable from City of Lordsburg	224,885
Deferred interest on long-term debt is not expensed in the governmental funds	(2,911)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,076,024)</u>
Total net assets - governmental activities	<u><u>\$ 13,145,775</u></u>

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Governmental Funds
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
For the Year-Ended June 30, 2008

	<u>Genral Fund</u>	<u>Road Fund</u>	<u>Fire Fund</u>	<u>Total Non- Major Funds</u>	<u>Total Funds</u>
REVENUES					
Property taxes	\$1,080,975	\$ -	\$ -	\$ -	\$ 1,080,975
Motor vehicle taxes	29,410	241,918	-	-	271,328
Gasoline taxes	-	146,319	-	-	146,319
Cigarette taxes	2,212	-	-	503	2,715
Gross receipts taxes	-	-	-	825,208	825,208
Intergovernmental income	2,033,707	-	-	130,054	2,163,761
Charges for services	32,063	-	-	381,886	413,949
Joint powers agreement	166,684	-	-	-	166,684
Small counties assistance	279,000	-	-	-	279,000
State share	24,798	-	-	-	24,798
License and fines	2,450	-	-	-	2,450
Other income	103,444	7,107	1,205	79,063	190,819
Investment income	92,292	17,585	8,740	-	118,617
Federal grant	-	1,893	-	-	1,893
State grant	1,577	219,828	304,259	1,991,393	2,517,057
Total revenues	<u>3,848,612</u>	<u>634,650</u>	<u>314,204</u>	<u>3,408,107</u>	<u>8,205,573</u>
EXPENDITURES					
Current:					
General government	933,015	-	-	11,719	944,734
Public safety	1,497,125	-	174,116	1,244,935	2,916,176
Public works	69,846	382,373	-	25,000	477,219
Culture and recreation	183,451	-	-	600	184,051
Health and welfare	-	-	-	679,604	679,604
Debt service					
Principal	-	-	-	231,387	231,387
Interest	-	-	-	28,987	28,987
Capital outlay	-	266,131	112,743	409,547	788,421
Total expenditures	<u>2,683,437</u>	<u>648,504</u>	<u>286,859</u>	<u>2,631,779</u>	<u>6,250,579</u>
Excess (deficiency) revenues over (under) expenditures	1,165,175	(13,854)	27,345	776,328	1,954,994
Other financing sources (uses):					
Operating transfers in	-	-	-	675,700	675,700
Operating transfers out	(411,100)	-	-	(344,600)	(755,700)
Total other financing sources (uses)	<u>(411,100)</u>	<u>-</u>	<u>-</u>	<u>331,100</u>	<u>(80,000)</u>
Net change in fund balance	754,075	(13,854)	27,345	1,107,428	1,874,994
Fund balance – beginning	<u>4,019,845</u>	<u>296,838</u>	<u>810,450</u>	<u>2,023,162</u>	<u>7,150,295</u>
Fund balance – ending	<u>\$4,773,920</u>	<u>\$ 282,984</u>	<u>\$ 837,795</u>	<u>\$ 3,130,590</u>	<u>\$ 9,025,289</u>

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year-Ending June 30, 2008

Total net change in fund balances – governmental funds \$ 1,874,994

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

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

Capital assets reported as capital outlay expenditures	788,421	
Disposal of assets	(33,713)	
Depreciation expense	<u>(790,332)</u>	
		(35,624)

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

Property taxes	(19,612)
----------------	----------

The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, government 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:

Lordsburg payment on bond	(32,773)	
Principal payment on bonds	231,387	
Proceeds from note payable	(1,984,634)	
Compensated absences	<u>(3,676)</u>	
		<u>(1,789,696)</u>

Change in net assets of governmental activities \$ 30,062

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Governmental Funds
Statement of Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds
For the Year-Ended June 30, 2007

	General Fund	Road Fund	Fire Fund	Total Non-Major Funds	Total Funds
REVENUES					
Property taxes	\$ 2,158,888	\$ -	\$ -	\$ -	\$ 2,158,888
Motor vehicle taxes	45,237	118,244	-	-	163,481
Gasoline taxes	-	114,540	-	-	114,540
Cigarette taxes	1,774	-	-	891	2,665
Gross receipts taxes	36,437	-	-	675,711	712,148
Intergovernmental income	312,122	-	282,202	208,980	803,304
Charges for services	64,837	-	-	352,225	417,062
Joint powers agreement	205,534	-	-	-	205,534
Other income	242,532	363	1,467	133,376	377,738
Investment income	131,885	-	6,357	-	138,242
Federal grant	175,000	7,030	92,000	666,525	940,555
State grant	578,347	102,419	180,000	115,778	976,544
Total revenues	<u>3,952,593</u>	<u>342,596</u>	<u>562,026</u>	<u>2,153,486</u>	<u>7,010,701</u>
EXPENDITURES					
Current:					
General government	833,356	-	-	14,686	848,042
Public safety	1,250,371	-	163,111	73,721	1,487,203
Public works	302,693	246,949	-	96,676	646,318
Culture and recreation	82,676	-	-	1,650	84,326
Health and welfare	88,729	-	-	666,510	755,239
Debt service					
Principal	-	-	-	253,739	253,739
Interest	-	-	-	29,826	29,826
Capital outlay	612,499	298,773	92,727	186,842	1,190,841
Total expenditures	<u>3,170,324</u>	<u>545,722</u>	<u>255,838</u>	<u>1,323,650</u>	<u>5,295,534</u>
Excess (deficiency) revenues over (under) expenditures	782,269	(203,126)	306,188	829,836	1,715,167
Other financing sources (uses):					
Operating transfers in	-	-	-	233,609	233,609
Operating transfers out	(148,709)	-	-	(177,796)	(326,505)
Total other financing sources (uses)	<u>(148,709)</u>	<u>-</u>	<u>-</u>	<u>55,813</u>	<u>(92,896)</u>
Net change in fund balance	633,560	(203,126)	306,188	885,649	1,622,271
Fund balance – beginning	<u>3,386,285</u>	<u>499,964</u>	<u>504,262</u>	<u>1,137,513</u>	<u>5,528,024</u>
Fund balance – ending	<u>\$ 4,019,845</u>	<u>\$ 296,838</u>	<u>\$ 810,450</u>	<u>\$ 2,023,162</u>	<u>\$ 7,150,295</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year-Ending June 30, 2007**

Total net change in fund balances – governmental funds \$ 1,622,271

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

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

Capital assets reported as capital outlay expenditures	1,190,841	
Disposal of assets	(3,999)	
Depreciation expense	<u>(503,717)</u>	
		683,125

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

Property taxes	(323,938)
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Expenses in the statement of activities that do not use current financial resources are not reported as expenditures in the funds:

Interest on long-term debt	965
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The issuance of long-term debt (e.g. bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, government 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:

Lordsburg payment on bond	(56,609)	
Principal payment on bonds	253,739	
Compensated absences	<u>5,507</u>	
		<u>202,637</u>

Change in net assets of governmental activities \$ 2,185,060

STATE OF NEW MEXICO
COUNTY OF HIDALGO
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Property taxes	\$ 1,056,000	\$ 1,056,000	\$ 569,086	\$ (486,914)
Motor vehicle taxes	10,000	10,000	29,410	19,410
Cigarette taxes	1,400	1,400	2,212	812
Licenses & fines	2,500	2,500	2,450	(50)
Gross receipts taxes	-	-	-	-
Charges for services	41,200	41,200	32,063	(9,137)
Miscellaneous revenues	194,450	194,450	103,444	(91,006)
Investment income	-	-	92,292	92,292
Joint powers agreements	130,000	130,000	166,684	36,684
Small counties assistance	235,000	235,000	279,000	44,000
Payment in lieu of taxes	480,000	480,000	474,754	(5,246)
State grants	25,935	25,935	26,375	440
Federal grants	-	-	-	-
Intergovernmental	-	-	499,478	499,478
Total revenues	<u>2,176,485</u>	<u>2,176,485</u>	<u>2,277,248</u>	<u>100,763</u>
Add: beginning cash	<u>2,020,575</u>	<u>2,020,575</u>		
	<u><u>\$5,667,544</u></u>	<u><u>\$5,667,544</u></u>		
Expenditures:				
Current				
General government	1,017,209	1,017,209	962,924	54,285
Public safety	1,430,136	1,480,136	1,450,668	29,468
Public works	88,117	88,117	69,846	18,271
Culture and recreation	196,587	196,587	183,451	13,136
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>2,732,049</u>	<u>2,782,049</u>	<u>2,666,889</u>	<u>115,160</u>
Excess (deficiency) revenues over expenditures			(389,641)	
Other financing sources (uses)				
Transfers in	148,900	148,900	-	(148,900)
Transfers out	(610,000)	(610,000)	(411,100)	198,900
Total other financing sources (uses)	<u>(461,100)</u>	<u>(461,100)</u>	<u>(411,100)</u>	<u>50,000</u>
Net change in fund balance Non-GAAP basis			(800,741)	
Difference between Non-GAAP and Modified GAAP:				
Adjust accrued revenue		1,571,364		
Adjust accrued expenditures		(16,548)	1,554,816	
Net change in fund balance Modified GAAP basis			754,075	
Fund balances – beginning			<u>4,019,845</u>	
Fund balances – ending			<u><u>\$ 4,773,920</u></u>	

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Road Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008**

	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Motor vehicle taxes	\$ 120,000	\$ 120,000	\$ 227,010	\$ 107,010
Gasoline taxes	110,000	110,000	146,319	36,319
State grants	258,151	258,151	108,715	(149,436)
Federal grants	6,600	6,600	1,893	
Investment Income	27,000	27,000	17,585	(9,415)
Miscellaneous	-	-	7,107	7,107
Total revenues	521,751	521,751	508,629	(8,415)
Add: beginning cash	596,514	896,514		
	\$ 1,118,265	\$ 1,418,265		
Expenditures:				
Public works				
Personnel expenditures	271,804	271,804	176,864	94,940
Operating expenditures	278,080	328,080	295,650	32,430
Capital outlay	122,000	122,000	91,171	30,829
Total expenditures	671,884	721,884	563,685	158,199
Excess (deficiency) revenues over expenditures			(55,056)	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance Non-GAAP basis			(55,056)	
Difference between Non-GAAP and Modified GAAP				
Adjust accrued revenue		126,021		
Adjust accrued expenditures		(84,819)	41,202	
Net change in fund balance Modified GAAP basis			(13,854)	
Fund balances – beginning			296,838	
Fund balances – ending			\$ 282,984	

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Fire Fund**

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008**

	Budgeted Amounts		Actual	Variances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Federal grant	-	-	-	-
State grants	445,817	445,817	304,259	(141,558)
Interest	-	-	8,740	8,740
Miscellaneous	-	-	1,205	1,205
Total revenues	<u>445,817</u>	<u>445,817</u>	<u>314,204</u>	<u>(131,613)</u>
Add: beginning cash	884,840	884,840		
	<u>\$ 1,330,657</u>	<u>\$ 1,330,657</u>		
Expenditures:				
Public safety				
Operating expenditures	337,198	350,117	186,394	163,723
Capital outlay	445,019	445,019	112,743	332,276
Total expenditures	<u>782,217</u>	<u>795,136</u>	<u>299,137</u>	<u>495,999</u>
Excess (deficiency) revenues over expenditures			15,067	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance Non-GAAP basis			15,067	
Difference between Non-GAAP and Modified GAAP				
Adjust accrued revenue		-		
Adjust accrued expenditures		<u>12,278</u>	<u>12,278</u>	
Net change in fund balance Modified GAAP basis			27,345	
Fund balances – beginning			<u>810,450</u>	
Fund balances – ending			<u>\$ 837,795</u>	

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

PROPRIETARY FUND

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Proprietary Funds – Ambulance
Statement of Net Assets
June 30,**

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 82,366	\$ 120,686
Accounts receivable (Net of allowance for doubtful accounts)	96,818	58,157
Total current assets	<u>179,184</u>	<u>178,843</u>
Non-current assets		
Capital assets	1,196,548	1,146,597
Accumulated depreciation	(593,025)	(549,603)
Total non-current assets	<u>603,523</u>	<u>596,994</u>
 Total assets	 <u>\$ 782,707</u>	 <u>\$ 775,837</u>
 LIABILITIES		
Current liabilities		
Accounts payable	\$ 4,262	\$ 1,161
Accrued salaries	10,534	10,976
Total current liabilities	<u>14,796</u>	<u>12,137</u>
Long-term liabilities		
Accrued compensated absences	<u>6,876</u>	<u>5,055</u>
 Total liabilities	 21,672	 17,192
 NET ASSETS		
Invested in capital assets	603,523	596,994
Unrestricted	<u>157,512</u>	<u>161,651</u>
 Total net assets	 <u>761,035</u>	 <u>758,645</u>
 Total liabilities and net assets	 <u>\$ 782,707</u>	 <u>\$ 775,837</u>

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds - Ambulance
For the Year-Ended June 30,

	<u>2008</u>	<u>2007</u>
OPERATING REVENUES		
Charges for services	\$ 455,649	\$ 334,482
Less: Medicare discounts	(10,041)	(32,212)
Medicaid discounts	(5,842)	(28,716)
Bad debt write-off	(140,881)	(9,962)
Prisoners	(4,149)	(4,057)
Miscellaneous revenue	2	154
Total operating revenues	<u>294,738</u>	<u>259,689</u>
OPERATING EXPENSES		
Personnel expenses	310,386	227,431
Depreciation	44,210	58,598
Loss (gain) on equipment	(1,122)	-
Other operating costs	31,865	85,852
Total operating expenses	<u>385,339</u>	<u>371,881</u>
Operating income (loss)	(90,601)	(112,192)
NON-OPERATING REVENUES		
State grants	<u>12,991</u>	<u>99,250</u>
Income (loss) before transfers	(77,610)	(12,942)
Transfers in	<u>80,000</u>	<u>92,618</u>
Change in net assets	2,390	79,676
Total net assets - beginning	<u>758,645</u>	<u>678,969</u>
Total net assets – ending	<u>\$ 761,035</u>	<u>\$ 758,645</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Statement of Cash Flows
Proprietary Fund - Ambulance
For the Year-Ended June 30,**

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Cash received from agencies and customers	\$256,077	\$ 258,640
Cash used for salaries and operating expenses	<u>(337,771)</u>	<u>(314,398)</u>
Net cash used for operating activities	(81,694)	(55,758)
Cash flows from financing activities:		
Intergovernmental transfers	80,000	92,618
State grant for ambulance	12,991	99,250
Loan from EMS fund	-	(7,518)
Acquisition of capital assets (net)	<u>(49,617)</u>	<u>(124,479)</u>
Net cash provided by financing activities	<u>43,374</u>	<u>59,871</u>
Net increase (decrease) in cash and cash equivalents	(38,320)	4,113
Cash and cash equivalents – beginning	<u>120,686</u>	<u>116,573</u>
Cash and cash equivalents – ending	<u>\$ 82,366</u>	<u>\$ 120,686</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (90,601)	\$ (112,192)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	44,210	58,598
Loss (gain) on equipment	(1,122)	-
Changes in assets and liabilities:		
Receivables	(38,661)	(1,049)
Accounts payable	3,101	(2,991)
Accrued salaries	(442)	4,506
Accrued compensated absences	<u>1,821</u>	<u>(2,630)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (81,694)</u>	<u>\$ (55,758)</u>

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

AGENCY FUND

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30,

	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$ 3,831	\$ 2,979
Taxes receivable	<u>148,465</u>	<u>90,752</u>
 Total assets	 <u>\$ 152,296</u>	 <u>\$ 93,731</u>
Liabilities		
Deferred revenue	\$ 148,465	\$ 90,752
Taxes paid in advance	3,831	1,932
Taxes paid – suspense	<u>-</u>	<u>1,047</u>
 Total liabilities	 <u>\$ 152,296</u>	 <u>\$ 93,731</u>

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

NOTES TO FINANCIAL STATEMENTS

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

County of Hidalgo is a political sub-division of the State of New Mexico established under the provisions of New Mexico State Statute Chapter 11, 1919, and began operations January 1, 1920. The County is 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, planning and zoning, property assessment, tax collection and general administrative services.

The financial statements of County of Hidalgo (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the County's accounting policies are described below.

In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. In June 2001, the GASB approved Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*. Statement No. 37 clarifies and modifies Statement No. 34 and should be implemented simultaneously with Statement No. 34. Statement No. 38 modifies, establishes, and rescinds certain financial statement disclosures requirements.

The County implemented the provisions of GASB No.'s 34, 37 and 38 effective July 1, 2003. The County implemented the provisions of GASB No. 40 and 41 effective July 1, 2004. The County implemented the provisions of GASB No. 42, 43, 44, 45, 46, and 47 effective July 1, 2005.

Financial Reporting Entity

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-14. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County has no component units, and is not a component unit of another governmental agency.

Government-Wide and Fund Financial Statements

The government-wide financial statement (i.e., the statement of net assets and the statement of activities and changes in net assets) reports information on all of the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-Wide and Fund Financial Statements (continued)

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though neither fiduciary funds nor component units that are fiduciary in nature are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary, and agency fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include gross receipts taxes and property taxes, grants and entitlements. On an accrual basis, revenue from property taxes, net of estimated refunds and uncollectible amounts, is recognized as revenues in the year for which they are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements are met.

All governmental and business-type activities of the County follow FASB Statements and interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. The county has elected not to follow FASB Statements and interpretations issued after November 30, 1989.

Governmental funds 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. The County considers all revenues to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues not considered available are recorded as deferred revenues. Property taxes, gross receipts taxes, franchise taxes, and interest are considered susceptible to accrual. 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. 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. For this purpose, the government considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government because they are not measurable or reasonably estimable.

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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Government funds are used to account for the County's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general capital assets and the servicing of general long-term debt. Governmental funds include:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided through property and other taxes, federal sources, state sources, charges for services, licenses and fees, and other miscellaneous recoveries and revenue. Expenditures include all costs associated with the daily operation of the County except for items included 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 *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

The *Capital Projects Funds* account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB 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 Fund* is used to account for the distribution of gasoline taxes and motor vehicles registration fees to the County and the expenditure for construction, reconstruction, resurfacing or other improvement or maintenance of public roads as authorized by NMSA 1978 Section 7-24A-5.

The *Fire Fund* is used to account for operations and maintenance of five fire districts in the County. Financing is provided from the County's share of a fire allotment issued by the State Fire Marshal under NMSA 59-31-1. Such revenue provides for all current operating costs and some payments on capital purchases.

The government reports its proprietary fund (Ambulance Fund) as a major governmental fund. The purpose of the Ambulance Fund is to account for the operation and maintenance of the ambulance service for the County.

Additionally, the government reports the following fund types:

The *Fiduciary Funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund 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.

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of accounting and Financial Statement Presentation (continued)

Amounts reported as *program* revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and 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. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenue of the County's enterprise fund is charges for ambulance services. Operating expenses for enterprise funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for us, it is the County's policy to use restricted resources first, and then unrestricted resources, as they are needed.

Assets, Liabilities and Net Assets or Equity

Deposits and 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 fully collateralized repurchase agreements.

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.

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

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

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Net Assets or Equity (continued)

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-side financial statements. Capital assets including computer software are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide statements. 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. No computer software is developed in-house.

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.

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

<u>Assets</u>	<u>Years</u>
Buildings	45
Improvements/Infrastructure	20
Machinery and Equipment	5-10

Deferred Revenues: Accounting principles generally accepted in the United States of America require that grant revenue be recognized 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 Funds are shown as deferred revenues. In addition, property taxes receivable but uncollected within sixty (60) days of year-end are classified as deferred revenue.

Compensated Absences: Qualified employees are entitled to accumulate annual leave according to a graduated leave schedule of five days to twenty-five days per year, depending on length of service. Annual leave earned by an employee must be taken within the subsequent twelve (12) months. Employees who have worked at least one (1) year shall be paid prorated annual leave upon separation.

Qualified employees are entitled to accumulate sick leave at the rate of four hours of sick leave for every two weeks of services (figured from the anniversary date of employment). A regular employee may accumulate up to 360 hours of sick leave in total. Sick leave for regular part-time employment accrues on a prorated basis. Upon termination, employees receive no pay for sick time accumulated.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the government fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide statement of net assets.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Net Assets or Equity (continued)

Long-Term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Net Assets: The government-wide and business-type activities fund financial statements utilize a net assets presentation.

Investment in capital assets, net of related debt-This category reflects the portion of net assets that are associated with capital assets less outstanding capital asset related debt.

Restricted net assets-Restricted net assets result from the constraints placed on the use of net assets when externally imposed by creditors, grantors, laws and regulations of other governments and imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets-This category reflects net assets of the County, not restricted for any project or other purpose.

Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Inter-Fund 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 inter-fund transactions, except quasi-external transactions and reimbursements are reported as transfers. All other inter-fund 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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Two months prior to June 30th, the County Manager submits to the County Commission a proposed operating budget for the upcoming fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the County Office to obtain taxpayer comments.
3. After the County Commission approves the proposed budget, it is then submitted to the Local Government Division of the State Department of Finance and Administration for review and certification.
4. Upon certification the budget becomes a legally binding document. Total expenditures in any fund may not exceed the amount budgeted.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Budgetary Information (continued)

5. The County Manager is authorized to transfer budgeted amounts among departments within a fund; however, the County Commission and the Local Government Division of the State Department of Finance and Administration must approve these revisions.
6. Any revisions that increase the total budgeted expenditures of any fund must have written approval of the Secretary of Finance and Administration and the Attorney General. If such approval is not granted, the County is legally restricted under state statutes to the total expenditures provided for in the budget.
7. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Capital Projects Funds.

Budgets are not adopted on a basis consistent with generally accepted accounting principles (GAAP). Throughout the year, the accounting records are maintained on a Non-GAAP basis of cash receipts and disbursements; consequently, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the budgets are adopted on the cash basis of accounting. Budgetary comparisons presented for in this report are on this Non-GAAP budgetary basis. Appropriations lapse at year-end, therefore, beginning cash balances reflected as fund balances or retained earnings in the budgetary comparisons are considered available resources for the subsequent year's budget. The budget amounts shown in the financial statements are the final authorization amounts as revised during the year.

No budget was adopted for the CDBG Renovation capital projects fund as no revenues or expenditures were anticipated.

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 present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year-ended June 30, 2008 and 2007 are presented.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Budgetary Information (continued)

The following is reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the Modified GAAP basis by fund type.

	<u>June 30, 2008</u>				
	<u>General Fund</u>	<u>Road Fund</u>	<u>Fire Fund</u>	<u>Non-Major Funds</u>	<u>Proprietary Fund</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (Modified GAAP Basis)	\$ 754,075	\$ (13,854)	\$ 27,345	\$ 1,107,428	\$ 2,390
Adjustments:					
To revenues for tax accruals, earnings on investments and other deferrals and accruals.	(1,571,364)	(126,021)	-	(582,028)	(38,661)
Adjustments:					
To adjust expenditures for payables, payroll taxes, prepaid expenses and other accruals.	<u>16,548</u>	<u>84,819</u>	<u>(12,278)</u>	<u>82,464</u>	<u>(303)</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget Basis)	<u>\$ (800,741)</u>	<u>\$ (55,056)</u>	<u>\$ 15,067</u>	<u>\$ 607,864</u>	<u>\$ (36,574)</u>
	<u>June 30, 2007</u>				
	<u>General Fund</u>	<u>Road Fund</u>	<u>Fire Fund</u>	<u>Non-Major Funds</u>	<u>Proprietary Fund</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (Modified GAAP Basis)	\$ 633,560	\$ (203,126)	\$ 306,188	\$ 885,649	\$ 79,676
Adjustments:					
To revenues for tax accruals, earnings on investments and other deferrals and accruals.	(509,187)	34,965	14,730	(38,872)	(8,567)
Adjustments:					
To adjust expenditures for payables, payroll taxes, prepaid expenses and other accruals.	<u>(43,906)</u>	<u>(149,294)</u>	<u>(40,756)</u>	<u>(285)</u>	<u>(66,996)</u>
Excess (deficiency) of revenues and other sources (uses) over expenditures (Budget Basis)	<u>\$ 80,467</u>	<u>\$ (317,455)</u>	<u>\$ 280,162</u>	<u>\$ 846,492</u>	<u>\$ 4,113</u>

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 3 CUSTODIAL CREDIT RISK - DEPOSITS

The County had the following depository accounts. All deposits are carried at cost plus accrued interest. The County does not have a deposit policy.

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2008</u>	<u>2007</u>
Insured	\$ 408,784	\$ 240,657
Collateralized:		
Collateral held by pledging bank's trust department not in the county's name	3,498,293	4,534,248
Uninsured and uncollateralized	<u>3,386,697</u>	<u>2,186,707</u>
 Total Cash and Investments, Primary Government	 <u>\$ 7,293,774</u>	 <u>\$ 6,961,612</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a deposit policy for custodial risk. As of June 30, 2008, \$6,884,990 of the County's bank balance of \$7,293,774 was exposed to custodial credit risk compared to \$6,720,955 of the County's bank balance of \$6,961,612 from June 30, 2007. The custodial credit risk comparison is as follows:

	<u>2008</u>	<u>2007</u>
Uninsured and uncollateralized	\$ 3,386,697	\$ 2,186,707
Uninsured and collateral held by pledging bank's trust department not in County's name	<u>3,498,293</u>	<u>4,534,248</u>
Total Cash and Investments, Primary Government	<u>\$ 6,884,990</u>	<u>\$ 6,720,955</u>

NOTE 4 RECEIVABLES

Receivables as of June 30 are as follows:

	<u>2008</u>		
	<u>Governmental Funds</u>	<u>Proprietary Fund</u>	<u>Total</u>
Taxes receivable:			
Property taxes	\$ 204,042	\$ -	\$ 204,042
Due from other governments:			
Gross receipts taxes	130	-	130
State allotment	113	-	113
PILT	17,568	-	17,568
Motor vehicle taxes	27,547	-	27,547
Grants	740,064	-	740,064
Loan proceeds	1,825,000	-	1,825,000
Other receivables:			
Interest	-	-	-
Fees	15,656	-	15,656
Rents	330	-	330
Accounts receivable	-	96,818	96,818
Net receivables	<u>\$ 2,830,450</u>	<u>\$ 96,818</u>	<u>\$ 2,927,268</u>

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 4 RECEIVABLES (continued)

	<u>2007</u>		
	Governmental Funds	Proprietary Fund	Total
Taxes receivable:			
Property taxes	\$ 165,817	\$ -	\$ 165,817
Due from other governments:			
Gross receipts taxes	21,183	-	21,183
State allotment	26,601	-	26,601
PILT	40,000	-	40,000
Motor vehicle taxes	30,268	-	30,268
Grants	385,133	-	385,133
Other receivables:			
Interest	24,156	-	24,156
Fees	18,350	-	18,350
Rents	13,252	-	13,252
Net receivables	<u>\$ 724,760</u>	<u>\$ -</u>	<u>\$ 724,760</u>

The above receivables are deemed 100% collectible.

NOTE 5 CAPITAL ASSETS

The following page shows a summary of capital assets and changes occurring during the years-ended June 30, 2008 and 2007. Land is not subject to depreciation.

Depreciation expense, for the year-ended June 30 was charged as follows:

	<u>2008</u>	<u>2007</u>
General Governmental	\$ 71,743	\$ 30,810
Public Safety	350,325	344,615
Public Works	85,009	100,945
Culture and Recreation	283,250	3,467
Health and Welfare	-	23,880
	<u> </u>	<u> </u>
Total depreciation expense	<u>\$ 790,327</u>	<u>\$ 503,717</u>

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 5 CAPITAL ASSETS (continued)

Governmental Activities:

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007	Additions	Deletions	June 30, 2008
Capital assets not being depreciated							
Land	\$ 576,399	\$ 118,071	\$ -	\$ 694,470	\$ -	\$ -	\$ 694,470
Construction in progress	69,803	81,172	-	150,975	54,191	-	205,166
Total	<u>646,202</u>	<u>199,243</u>	<u>-</u>	<u>845,445</u>	<u>54,191</u>	<u>-</u>	<u>899,636</u>
Other capital assets being depreciated							
Buildings	5,633,845	387,008	-	6,020,853	112,744	72,126	6,061,471
Improvements/Infrastructure	-	-	-	-	348,764	-	348,764
Machinery and equipment	4,927,135	604,590	300,394	5,231,331	272,722	29,689	5,474,364
Total	<u>10,560,980</u>	<u>991,598</u>	<u>300,394</u>	<u>11,252,184</u>	<u>734,230</u>	<u>101,815</u>	<u>11,884,599</u>
Accumulated depreciation:							
Buildings	2,118,784	200,742	-	2,319,526	340,259	42,895	2,616,890
Improvements/Infrastructure	-	-	-	-	130,607	-	130,607
Machinery and equipment	2,944,523	302,975	296,395	2,951,103	319,461	25,209	3,245,355
Total	<u>5,063,307</u>	<u>503,717</u>	<u>296,395</u>	<u>5,270,629</u>	<u>790,327</u>	<u>68,104</u>	<u>5,992,852</u>
Net book value	<u>\$ 6,143,875</u>	<u>\$ 687,124</u>	<u>\$ 3,999</u>	<u>\$ 6,827,000</u>	<u>\$ (1,906)</u>	<u>\$ 33,711</u>	<u>\$6,791,383</u>

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 5 CAPITAL ASSETS (continued)

Business-Like Activities:

	Balane June 30, 2006	Additions	Deletions	Transfers in	Balance June 30, 2007	Additions	Deletions	Transfers in	Balance June 30, 2008
Capital assets not being depreciated									
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,616	\$ -	\$ -	\$ 49,616
Capital assets being depreciated									
Buildings	355,359	-	-	-	355,359	-	-	-	355,359
Machinery and equipment	634,809	124,479	2,574	34,524	791,238	-	16,070	16,405	791,573
Total	990,168	124,479	2,574	34,524	1,146,597	-	16,070	16,405	1,146,932
Accumulated depreciation									
Buildings	31,523	7,881	-	-	39,404	7,881	-	-	47,285
Machinery and equipment	427,532	50,717	2,574	34,524	510,199	33,047	13,911	16,405	545,740
Total	459,055	58,598	2,574	34,524	549,603	40,928	13,911	16,405	593,025
Net book value	<u>\$ 531,113</u>	<u>\$ 65,881</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 596,994</u>	<u>\$ 8,688</u>	<u>\$ 2,159</u>	<u>\$ -</u>	<u>\$ 603,523</u>

Depreciation expense relating to business-like activities for the year-ended June 30, 2008 and 2007 totaled \$40,928 and \$58,598, respectively, which exceeded the total additions to the capital assets. Vehicles were transferred from the Road and Sheriff's Department to the Ambulance Fund.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 6 LONG-TERM DEBT

During the year-ended June 30, 2008, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

Governmental funds

	Balance June 30, 2006	Additions	Decreases	Balance June 30, 2007	Additions	Decreases	Balance June 30, 2008	Due Within One Year
Gross receipts revenue bonds	\$ 1,200,403	\$ -	\$ 241,405	\$ 958,998	\$ -	\$ 140,874	\$ 818,124	\$ 154,097
NMFA loans	102,847	-	12,334	90,513	-	90,513	-	-
NMFA loans	-	-	-	-	1,984,634	-	1,984,634	106,707
Compensated absences	32,020	40,038	45,545	26,513	3,676	-	30,189	15,095
Total long-term debt	\$ 1,335,270	\$ 40,038	\$ 299,284	\$ 1,076,024	\$ 1,988,310	\$ 231,387	\$ 2,832,947	\$ 275,899

Excess gross receipts taxes collected are applied against principal of the revenue bonds annually. NMFA loans are paid by the Fire Funds. Accrued compensated absences are paid out of various funds in the following percentage: 78.3% from General fund, 10.1% from Road fund, 6.8% from C&C Transfer Station, 3% from Gross Receipts Landfill, and 1.4% from Hidalgo Complex.

Proprietary fund

	Balance June 30, 2006	Additions	Decreases	Balance June 30, 2007	Additions	Decreases	Balance June 30, 2007	Due Within One Year
Compensated absences	\$ 7,685	\$ 2,976	\$ 5,606	\$ 5,055	\$ 1,821	\$ -	\$ 6,876	\$ 3,438

This liability for compensated absences is paid out of the proprietary fund.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 6 LONG-TERM DEBT (continued)

Hidalgo Medical Center Loan

The City of Lordsburg and County of Hidalgo entered into a joint powers agreement to jointly finance the construction of a health-care facility on June 18, 2001. The agreement gave ownership rights of the facility to the County. The benefit to the City was to have a health-care facility to provide medical services to its residents. The total project cost was estimated to be \$3,553,600. The County received a federal grant of \$1,359,296 towards the completion of the project. The remaining \$2,194,304 of estimated project costs was to be financed.

Hidalgo Medical Services borrowed money from the New Mexico Finance Authority's Primary Care Loan Fund to build the facility under the loan agreement. The County sold a bond issue to Hidalgo Medical Services in a private sale, which was used to secure the loan. The proceeds from the loan went to the County, which has the administrative responsibility for building the facility and paying off the loan. As the loan is paid, it will be used to reduce the amount owed under the bond issue.

Both the City and County have pledged their taxes that are intercepted from the Municipal Infrastructure Gross Receipts Tax and the County Hospital Emergency Gross Receipts Tax that began with the July 2001 distributions. The City will pledge and pay one-eighth of one percent of the Municipal Infrastructure Gross Receipts Tax and the County will pledge and pay one-fourth of one percent of the County Hospital Emergency Gross Receipts Tax on a monthly basis. Interest will accrue at 3% per annum. The City will not retain any ownership rights to the facility. Taxes are collected by the New Mexico Department of Taxation and Revenue.

The outstanding bonds at June 30, 2008 and 2007 consisted of Gross Receipts Revenue Bonds, dated June 18, 2001, principal due July 1, 2001 through 2014 having an approximate yield of 3.82%

Although payments are deducted monthly, the annual payments of the loan are as follow:

Fiscal Year Ending June 30,	Principal	Interest	Debt Service
2009	154,098	24,544	178,642
2010	158,720	19,921	178,641
2011	163,482	15,159	178,641
2012	168,386	10,255	178,641
2013	173,438	5,203	178,641
	<u>818,124</u>	<u>75,082</u>	<u>893,206</u>

NMFA Loan Payable – Gila/Neblitt Fire Pumper

On August 15, 2003, the County entered into a loan agreement with the New Mexico Finance Authority for the purchase of a tanker fire truck for the Gila/Neblitt Volunteer Fire Department. The county pledged future revenues from the Fire Protection Fund revenue distributions made annually to Gila/Neblitt Fire District by the State Fire Marshal. This revenue is subject to an intercept agreement. The original amount of the loan was \$126,170. Interest on the loan is 1.414%. The term of the loan was ten years. The note balance of \$90,513 was paid in full as of June 30, 2008.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 6 LONG-TERM DEBT (continued)

NMFA Loan Payable – Detention Center

On June 20, 2008, the County entered into a loan agreement with the New Mexico Finance Authority for the construction of a new detention center for the County. The county pledged future revenues from the County’s gross receipts tax. This revenue is subject to an intercept agreement. The original amount of the loan was \$1,984,634. Interest on the loan is 3%. The term of the loan was fifteen years. Although payments are deducted monthly, the annual payments of the loan are as follow:

Years Ended	Principal	Interest	Total
June 30,			
2009	106,707	59539	166,246
2010	109,908	56338	166,246
2011	113,205	53041	166,246
2012	116,602	49644	166,246
2013	120,100	46146	166,246
2014-2023	<u>1,418,112</u>	<u>244348</u>	<u>1,662,460</u>
Total	<u>1,984,634</u>	<u>509,056</u>	<u>2,493,690</u>

The above loan was set up with a required reserve funds payable. The New Mexico Finance Authority required \$129,926 for the reserve funds payable at the end of June 30, 2008.

There was no short-term debt activity.

NOTE 7 RISK MANAGEMENT

The County is subject to risk of loss through areas of general liability, worker’s compensation, and natural disaster to minimize the risk of loss for general liability, the County has insurance coverage through a private common carrier. The coverage includes commercial general liability, property, inland marine, crime, errors and omissions and automobile. The coverage limitation varies for each type of coverage purchased.

For the policy period of July 1, 2007 through June 30, 2008, the premiums paid by the County were \$267,647. Premiums paid for the policy period of July 1, 2006 through June 30, 2007 were \$460,688. The assumption of risk transfers upon payment of premiums within the policy limits. To minimize the risk of loss for worker’s compensation, the County participates in the New Mexico County Insurance Association (a risk pool of counties within the State of New Mexico).

NOTE 8 OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures as part of the Combining Statements – overview of certain information concerning individual funds including:

Deficit fund balance of individual funds - There were no funds reflecting a deficit fund balance as of June 30, 2008 and 2007.

NOTE 9 PERA PENSION PLAN

Plan Description. Substantially all of County of Hidalgo’s full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978.) The Public Employee Retirement Association (PERA) is the administrator of the plan, which is a cost sharing, multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007**

NOTE 9 PERA PENSION PLAN (continued)

Funding Policy. Plan members are required to contribute 7% for municipal employees and 13.5% of gross salaries for law enforcement employees. The County is required to contribute 9.15% for law enforcement plan members and 9.15% for all other plan members. The contribution requirements of plan members and County of Hidalgo are established 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 years ended June 30, 2008, 2007, and 2006 were \$154,260, \$142,819, and \$134,000 equal to the amount of the required contributions for the years, respectively.

NOTE 10 POST-EMPLOYMENT BENEFITS

The County of Hidalgo did not participate in the Retiree Health Care Act Program during the fiscal years ending June 30, 2008 and 2007.

NOTE 11 CONTINGENCIES

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.

The County was declared a flood disaster area by the Governor of New Mexico and the U. S. Department of Homeland Security, Federal Emergency Management Administration (FEMA). Recovery costs have been estimated by the New Mexico Department of Public Safety, Office of Emergency Management, at \$850,137. None of the recovery costs were paid by the County's liability insurance. FEMA has agreed to pay for \$651,844, which is 77% of the estimated costs. As of June 30, 2008, the final cost to the State was determined to be \$20,235.

NOTE 12 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 13 INTER-FUND TRANSFERS AND BALANCES

Transfers to/from other funds at June 30, consist of the following:

<u>2008</u>	<u>2007</u>	From	To	Purpose
\$ -	\$ 85,000	Corrections	Ambulance	To fund operating expenditures
-	148,609	General	Detention Center	To fund construction expenditures
80,000	100	General	Ambulance	To fund operating expenditures
-	7,518	EMS	Ambulance	To reimburse for expenditures
-	278	CDBG Renovation	General	To reimburse for expenditures
150,000	50,000	Landfill Fund	Transfer Station	To reimburse for expenditures
50,000	35,000	Environmental Gross Receipt	Transfer Station	To reimburse for expenditures
500,000	-	General	Grants	To reimburse for expenditures
137,100	-	Corrections	General	To reimburse for expenditures
30,000	-	General	Hidalgo Complex	To reimburse for expenditures
1,047	-	Agency	General	To reimburse for expenditures
54,300	-	Grants	General	To reimburse for expenditures
7,500	-	Indigent Care	General	To reimburse for expenditures
<u>\$ 1,009,947</u>	<u>\$ 326,505</u>	Total		

Balances due to/from other funds at June 30, consist of the following:

<u>2008</u>	<u>2007</u>	From	To	Purpose
\$ -	\$ 278	CDBG	General	To fund building expenditures

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Notes to Financial Statements
June 30, 2008 and 2007

NOTE 14 BUDGETARY DIFFERENCES

New Mexico State Statutes restrict all officials and governing authorities from approving claims in excess of the approved budget. As of the June 30, 2008 and 2007, no individual fund was over expended.

NOTE 15 RELATED PARTY TRANSACTION

During the fiscal year ended June 30, 2008, the County was involved in a related party transaction. The transaction was a contract between the County and Kelly Kuenstler. The contract agreement retained Ms Kuenstler as a consultant for the HIDTA Grant for the one year period of July 1, 2007 thru June 30, 2008. Payment for the services rendered total no more than \$6,000 and is payable \$1,500 per quarter. Ms. Kuenstler is the daughter of Commissioner Harold Kuenstler.

NON-MAJOR GOVERMENTAL FUNDS

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non- Major Governmental Funds
June 30, 2008**

Special Revenue Funds

Clerks Equipment & Recording Fund – To account for revenues and expenditures for control of equipment. The fees collected are restricted in that they may only be used for the purchase of equipment associated with the recording, filing, maintaining, or reproducing of documents in the Office of the county Clerk. This fund was created by authority of state statute (see section 14-8-2.2, NMSA 1978 Compilation).

Farm and Range Fund – To account for the operations and maintenance of County roads and predatory animal control. Financing is provided by the County's share of grazing fees. Such fees provide for payment of all current operating costs and may be used only for that purpose. Authority is NMSA 6-11-6.

Recreation Fund – To account for revenues and expenditures related to the County's Youth recreational activities. Funds are provided by the state shared cigarette tax. The fund was created by authority of state statute (see section 7-12-15, NMSA 1978 Compilation).

Property Valuation – To account for funds used to provide valuation services to the County and other local entities. This fund was created by authority of state statute (see Section 7-38-38.1, NMSA 1978 Compilation).

C & C Transfer Station – To account for fees charged and expenditures of a city and county transfer station. In addition to the fees charged, the county provides funds from the gross receipts tax fund and the general fund. Authority is motion of the County Commission.

Grants – To account for grant funds received from the New Mexico Department of Public Safety and other state and federal agencies under the authority of state statute (see section 11-6A-5, NMSA 1978 and Chapter 65).

Correction Fees – To account for correction fees authorized by Section 35-14-11, NMSA, 1978. Such revenues are used to supplement general funds for the care of prisoners.

DARE (Drug Control and Systems Improvement Formula) Grant – To account for grant funds to help students recognize and resist pressure that influence them to experiment with alcohol, drugs or tobacco. Funding is provided by the United States Department of Justice pursuant Anti-Drug Abuse Act of 1988, Public Law 100-690, Title VI, Subtitle C.

Law Enforcement Protection 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.

Gross Receipts Landfill – To account for a gross receipts tax imposed to fund environmental activities, mainly sanitary landfill closure and disposal of solid waste. Authority is NMSA 1978 7-20E-17.

Indigent Care Fund – To account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute (see section 7-20OE-9, NMSA 1978 compilation).

Gross Receipts Environmental– To account for a gross receipts tax dedicated for acquisition, construction operation and maintenance of water facilities, wastewater facilities, sewer systems and related facilities. Authority is local ordinance authorized by NMSA 1978 7-19D-10.

EMS Grant – To account for grant monies restricted to expenditures for improvement and operations of emergency medical services. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Services Bureau. Expenditures are subject to approval of County commission and the state Agency. NMSA 24-10A to 24-10A-10.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non- Major Governmental Funds
June 30, 2008**

Enhanced 911 Grant and Rural Addressing Grant – To account for grant funds that are to be used to purchase and maintain a new 911 system. Financing is provided by a grant from New Mexico Department of Finance and Administration pursuant NMSA 63-9D-1, “Enhanced 911 Act”.

Hidalgo Complex – To account for funds received for staffing and managing the Hidalgo Complex.

Capital Projects Funds

Health Care Facility Acquisition Capital Project Fund – To account for the cost of construction of a new health care facility financed by revenue bonds and a grant from the federal government. Authorized by County Hospital Emergency Gross Receipts Act, Section 7-20C-1 through 7-20C-17, NMSA 1978.

C.D.B.G. Library Renovation – To account for grant funds for the library renovation project. Funding is from a Community Development Block Grant from the Department of H.U.D. through the State Department of Finance and Administration.

Detention Building – To account for a gross receipts tax imposed to fund Detention Center improvements. Authority is local ordinance authorized by NMSA 1978 7-20E-17.

FEMA Disaster – To account for grant funds from the FEMA disaster relief fund. Funding is from the Department of Homeland Security through the New Mexico Office of Emergency Management. Authorized by the FEMA Major Disaster Declaration FEMA-1659-DR.

Debt Service Funds

Hospital Debt Service Fund – To account for the accumulation of gross receipts taxes applied to the gross receipts revenue bonds debt service at New Mexico Finance Authority. Authorized by Section 7-20C-1 through 7-20C-17, NMSA 1978.

Gila/Neblett – To account for funds received from state fire distribution for tanker fire truck debt service to New Mexico Finance Authority. Authorized by County Resolution 2003-23 and Section 59A-53-7 NMSA 1978.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Combining Balance Sheet
For the Year-Ended June 30, 2008**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
ASSETS				
Cash and cash equivalents	\$ 1,295,848	\$1,068,647	\$ 208,783	\$ 2,573,278
Other receivables	15,986	-	-	15,986
Due from other governments	612,491	16,704	-	629,195
	<u>1,924,325</u>	<u>1,085,351</u>	<u>208,783</u>	<u>3,218,459</u>
Total assets	<u>\$ 1,924,325</u>	<u>\$1,085,351</u>	<u>\$ 208,783</u>	<u>\$ 3,218,459</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 76,306	\$ -	\$ -	\$ 76,306
Accrued salaries	11,563	-	-	11,563
Due to other funds	-	-	-	-
Total liabilities	<u>87,869</u>	<u>-</u>	<u>-</u>	<u>87,869</u>
Fund balances:				
Reserved for debt service	-	-	208,783	208,783
Reserved for capital projects	-	1,085,351	-	1,085,351
Unreserved for special revenue funds	1,836,456	-	-	1,836,456
Total fund balances	<u>1,836,456</u>	<u>1,085,351</u>	<u>208,783</u>	<u>3,130,590</u>
Total liabilities and fund balances	<u>\$ 1,924,325</u>	<u>\$1,085,351</u>	<u>\$ 208,783</u>	<u>\$ 3,218,459</u>

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Combining Balance Sheet
For the Year-Ended June 30, 2007

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
ASSETS				
Cash and cash equivalents	\$ 1,029,411	\$ 920,138	\$ 40,657	\$ 1,990,206
Other receivables	31,602	-	-	31,602
Due from other governments	48,571	27,930	-	76,501
	<u>1,109,584</u>	<u>948,068</u>	<u>40,657</u>	<u>2,098,309</u>
Total assets	<u>\$ 1,109,584</u>	<u>\$ 948,068</u>	<u>\$ 40,657</u>	<u>\$ 2,098,309</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 65,221	\$ -	\$ -	\$ 65,221
Accrued salaries	9,648	-	-	9,648
Due to other funds	-	278	-	278
Total liabilities	<u>74,869</u>	<u>278</u>	<u>-</u>	<u>75,147</u>
Fund balances:				
Reserved for debt service	-	-	40,657	40,657
Reserved for capital projects	-	947,790	-	947,790
Unreserved for special revenue funds	1,034,715	-	-	1,034,715
Total fund balances	<u>1,034,715</u>	<u>947,790</u>	<u>40,657</u>	<u>2,023,162</u>
Total liabilities and fund balances	<u>\$ 1,109,584</u>	<u>\$ 948,068</u>	<u>\$ 40,657</u>	<u>\$ 2,098,309</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year-Ended June 30, 2008**

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Totals
REVENUES				
State shared taxes	\$ 503	\$ -	\$ -	\$ 503
Gross receipts taxes	289,492	141,100	394,616	825,208
Intergovernmental income	120,925	-	33,929	154,854
Charges for services	583,427	-	-	583,427
Other income	79,063	-	-	79,063
Federal grant	-	-	-	-
State grant	1,765,052	-	-	1,765,052
Total revenues	<u>2,838,462</u>	<u>141,100</u>	<u>428,545</u>	<u>3,408,107</u>
EXPENDITURES				
Current:				
General government	11,719	-	-	11,719
Public safety	1,244,890	-	45	1,244,935
Public works	-	-	-	-
Culture and recreation	600	-	-	600
Health and welfare	701,065	3,539	-	704,604
Debt service				
Principal	-	-	231,387	231,387
Interest	-	-	28,987	28,987
Capital outlay	409,547	-	-	409,547
Total expenditures	<u>2,367,821</u>	<u>3,539</u>	<u>260,419</u>	<u>2,631,779</u>
Excess (deficiency) revenues over (under) expenditures	470,641	137,561	168,126	776,328
Other financing sources (uses):				
Operating transfers in	675,700	-	-	675,700
Operating transfers out	(344,600)	-	-	(344,600)
Total other financing sources (uses)	<u>331,100</u>	<u>-</u>	<u>-</u>	<u>331,100</u>
Net change in fund balance	801,741	137,561	168,126	1,107,428
Fund balance – beginning	<u>1,034,715</u>	<u>947,790</u>	<u>40,657</u>	<u>2,023,162</u>
Fund balance – ending	<u>\$ 1,836,456</u>	<u>\$ 1,085,351</u>	<u>\$ 208,783</u>	<u>\$ 3,130,590</u>

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year-Ended June 30, 2007

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Totals
REVENUES				
State shared taxes	\$ 891	\$ -	\$ -	\$ 891
Gross receipts taxes	340,053	129,531	206,127	675,711
Intergovernmental income	104,142	-	104,838	208,980
Charges for services	352,225	-	-	352,225
Other income	133,376	-	-	133,376
Federal grant	-	666,525	-	666,525
State grant	99,204	16,574	-	115,778
Total revenues	<u>1,029,891</u>	<u>812,630</u>	<u>310,965</u>	<u>2,153,486</u>
EXPENDITURES				
Current:				
General government	14,686	-	-	14,686
Public safety	73,465	-	256	73,721
Public works	83,783	12,893	-	96,676
Culture and recreation	1,650	-	-	1,650
Health and welfare	665,538	972	-	666,510
Debt service				
Principal	-	-	253,739	253,739
Interest	-	-	29,826	29,826
Capital outlay	103,960	82,882	-	186,842
Total expenditures	<u>943,082</u>	<u>96,747</u>	<u>283,821</u>	<u>1,323,650</u>
Excess (deficiency) revenues over (under) expenditures	86,809	715,883	27,144	829,836
Other financing sources (uses):				
Operating transfers in	85,000	148,609	-	233,609
Operating transfers out	(177,518)	(278)	-	(177,796)
Total other financing sources (uses)	<u>(92,518)</u>	<u>148,331</u>	<u>-</u>	<u>55,813</u>
Net change in fund balance	(5,709)	864,214	27,144	885,649
Fund balance – beginning	<u>1,040,424</u>	<u>83,576</u>	<u>13,513</u>	<u>1,137,513</u>
Fund balance – ending	<u>\$ 1,034,715</u>	<u>\$ 947,790</u>	<u>\$ 40,657</u>	<u>\$ 2,023,162</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Special Revenue Funds
Combining Balance Sheet
For the Year-Ended June 30, 2008**

	Clerk Equipment and Recording	Farm and Range	Recreation	Property Valuation	C&C Transfer	Grants	Correction Fees	DARE	Sub-total
ASSETS									
Cash and cash equivalents	\$ 20,091	\$ 111,105	\$ 979	\$ 187,644	\$ 154,705	\$ 181,320	\$ 354,191	\$ 39,000	\$1,049,035
Due from other funds	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	15,656	-	-	-	15,656
Due from other governments	-	-	114	-	-	612,377	-	-	612,491
				-					
Total assets	<u>\$ 20,091</u>	<u>\$ 111,105</u>	<u>\$ 1,093</u>	<u>\$ 187,644</u>	<u>\$ 170,361</u>	<u>\$ 793,697</u>	<u>\$ 354,191</u>	<u>\$ 39,000</u>	<u>\$1,677,182</u>
LIABILITIES AND FUND BALANCES									
Accounts payable	\$ -	\$ -	\$ -	\$ 141	\$ 1,100	\$ 69,970	\$ 2,107	\$ -	\$ 73,318
Accrued salaries	-	-	-	-	2,752	6,221	-	-	8,973
Total liabilities	-	-	-	141	3,852	76,191	2,107	-	82,291
Fund balances									
Unreserved for special revenue funds	20,091	111,105	1,093	187,503	166,509	717,506	352,084	39,000	1,594,891
Total fund balances	20,091	111,105	1,093	187,503	166,509	717,506	352,084	39,000	1,594,891
Total liabilities and fund balances	<u>\$ 20,091</u>	<u>\$ 111,105</u>	<u>\$ 1,093</u>	<u>\$ 187,644</u>	<u>\$ 170,361</u>	<u>\$ 793,697</u>	<u>\$ 354,191</u>	<u>\$ 39,000</u>	<u>\$1,677,182</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Special Revenue Funds
Combining Balance Sheet
For the Year-Ended June 30, 2008**

	Law Enforcement Protection	Gross Receipts Landfill	Indigent Care	Gross Receipts Environmental	EMS Grant	Enhanced 911	Hidalgo Complex	Sub-total Page 1	Total
ASSETS									
Cash and cash equivalents	\$ 4,573	\$ 33,351	\$ 143,531	\$ 26,677	\$ 9,636	\$ 14,649	\$ 14,396	\$1,049,035	\$1,295,848
Due from other funds	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	330	15,656	15,986
Due from other governments	-	-	-	-	-	-	-	612,491	612,491
Total assets	\$ 4,573	\$ 33,351	\$ 143,531	\$ 26,677	\$ 9,636	\$ 14,649	\$ 14,726	\$1,677,182	\$1,924,325
LIABILITIES AND FUND BALANCES									
Accounts payable	\$ 1,278	\$ -	\$ -	\$ -	\$ 1,279	\$ -	\$ 431	\$ 73,318	\$ 76,306
Accrued salaries	-	1,229	-	-	-	-	1,361	8,973	11,563
Total liabilities	1,278	1,229	-	-	1,279	-	1,792	82,291	87,869
Fund balances									
Unreserved for special revenue funds	3,295	32,122	143,531	26,677	8,357	14,649	12,934	1,594,891	1,836,456
Total fund balances	3,295	32,122	143,531	26,677	8,357	14,649	12,934	1,594,891	1,836,456
Total liabilities and fund balances	\$ 4,573	\$ 33,351	\$ 143,531	\$ 26,677	\$ 9,636	\$ 14,649	\$ 14,726	\$1,677,182	\$1,924,325

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Special Revenue Funds
Combining Balance Sheet
For the Year-Ended June 30, 2007**

	Clerk Equipment and Recording	Farm and Range	Recreation	Property Valuation	C&C Transfer	Grants	Correction Fees	DARE	Sub-total
ASSETS									
Cash and cash equivalents	\$ 17,381	\$ 105,541	\$ 1,191	\$ 165,135	\$ 70,928	\$ 46,770	\$ 163,149	\$ 21,829	\$ 591,924
Due from other funds	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	18,350	-	-	-	18,350
Due from other governments	-	-	-	-	-	16,269	22,475	-	38,744
Total assets	\$ 17,381	\$ 105,541	\$ 1,191	\$ 165,135	\$ 89,278	\$ 63,039	\$ 185,624	\$ 21,829	\$ 649,018
LIABILITIES AND FUND BALANCES									
Accounts payable	\$ 109	\$ -	\$ -	\$ 51	\$ 15,963	\$ 12,394	\$ 1,425	\$ -	\$ 29,942
Accrued salaries	-	-	-	-	2,801	4,565	-	-	7,366
Total liabilities	109	-	-	51	18,764	16,959	1,425	-	37,308
Fund balances									
Unreserved for special revenue funds	17,272	105,541	1,191	165,084	70,514	46,080	184,199	21,829	611,710
Total fund balances	17,272	105,541	1,191	165,084	70,514	46,080	184,199	21,829	611,710
Total liabilities and fund balances	\$ 17,381	\$ 105,541	\$ 1,191	\$ 165,135	\$ 89,278	\$ 63,039	\$ 185,624	\$ 21,829	\$ 649,018

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Special Revenue Funds
Combining Balance Sheet
For the Year-Ended June 30, 2007**

	Law Enforcement Protection	Gross Receipts Landfill	Indigent Care	Gross Receipts Environmental	EMS Grant	Enhanced 911	Hidalgo Complex	Sub-total Page 1	Total
ASSETS									
Cash and cash equivalents	\$ 1,842	\$ 129,026	\$ 168,456	\$ 31,842	\$ 76,460	\$ 14,649	\$ 15,212	\$ 591,924	\$1,029,411
Due from other funds	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	13,252	18,350	31,602
Due from other governments	-	7,571	-	2,256	-	-	-	38,744	48,571
Total assets	\$ 1,842	\$ 136,597	\$ 168,456	\$ 34,098	\$ 76,460	\$ 14,649	\$ 28,464	\$ 649,018	\$1,109,584
LIABILITIES AND FUND BALANCES									
Accounts payable	\$ -	\$ 338	\$ 24,291	\$ -	\$ 10,124	\$ -	\$ 526	\$ 29,942	\$ 65,221
Accrued salaries	-	1,148	-	-	-	-	1,134	7,366	9,648
Total liabilities	-	1,486	24,291	-	10,124	-	1,660	37,308	74,869
Fund balances									
Unreserved for special revenue funds	1,842	135,111	144,165	34,098	66,336	14,649	26,804	611,710	1,034,715
Total fund balances	1,842	135,111	144,165	34,098	66,336	14,649	26,804	611,710	1,034,715
Total liabilities and fund balances	\$ 1,842	\$ 136,597	\$ 168,456	\$ 34,098	\$ 76,460	\$ 14,649	\$ 28,464	\$ 649,018	\$1,109,584

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year-Ended June 30, 2008**

	Clerk Equipment and Recording	Farm and Range	Recreation	Property Valuation	C&C Transfer	Grants	Correction Fees	DARE	Sub-total
REVENUE									
Cigarette taxes	\$ -	\$ -	\$ 503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 503
Gross receipts taxes	-	-	-	-	-	-	-	-	-
Intergovernmental income	-	30,564	-	-	-	-	-	-	30,564
Charges for services	8,369	-	-	28,587	226,045	-	320,426	-	583,427
Other income	-	-	-	-	-	-	26,595	21,990	48,585
State grants	-	-	-	-	-	1,765,052	-	-	1,765,052
Total revenues	<u>8,369</u>	<u>30,564</u>	<u>503</u>	<u>28,587</u>	<u>226,045</u>	<u>1,765,052</u>	<u>347,021</u>	<u>21,990</u>	<u>2,428,131</u>
EXPENDITURES									
Current:									
General government	5,550	-	-	6,168	-	-	-	-	11,718
Public safety	-	-	-	-	-	1,351,986	42,036	4,819	1,398,841
Public works	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	601	-	-	-	-	-	601
Health and welfare	-	25,000	-	-	330,050	-	-	-	355,050
Capital outlay	-	-	-	-	-	187,340	-	-	187,340
Total expenditures	<u>5,550</u>	<u>25,000</u>	<u>601</u>	<u>6,168</u>	<u>330,050</u>	<u>1,539,326</u>	<u>42,036</u>	<u>4,819</u>	<u>1,953,550</u>
Excess (deficiency) of revenues over (under) expenditures	2,819	5,564	(98)	22,419	(104,005)	225,726	304,985	17,171	474,581
Other financing sources (uses)									
Transfers in	-	-	-	-	200,000	445,700	-	-	645,700
Transfers out	-	-	-	-	-	-	(137,100)	-	(137,100)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>445,700</u>	<u>(137,100)</u>	<u>-</u>	<u>508,600</u>
Net change in fund balances	2,819	5,564	(98)	22,419	95,995	671,426	167,885	17,171	983,181
Fund balances-beginning of year	<u>17,272</u>	<u>105,541</u>	<u>1,191</u>	<u>165,084</u>	<u>70,514</u>	<u>46,080</u>	<u>184,199</u>	<u>21,829</u>	<u>611,710</u>
Fund balances-end of year	<u>\$ 20,091</u>	<u>\$ 111,105</u>	<u>\$ 1,093</u>	<u>\$ 187,503</u>	<u>\$ 166,509</u>	<u>\$ 717,506</u>	<u>\$ 352,084</u>	<u>\$ 39,000</u>	<u>\$ 1,594,891</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year-Ended June 30, 2008**

	Law Enforcement Protection	Gross Receipts Landfill	Indigent Care	Gross Receipts Environmental	EMS Grant	Enhanced 911	Hidalgo Complex	Sub-total Page 1	Total
REVENUE									
Cigarette taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 503	\$ 503
Gross receipts taxes	-	130,574	116,339	42,579	-	-	-	-	289,492
Intergovernmental income	24,800	-	-	-	65,561	-	-	30,564	120,925
Charges for services	-	-	-	-	-	-	-	583,427	583,427
Other income	-	4,649	-	-	272	-	25,557	48,585	79,063
State grants	-	-	-	-	-	-	-	1,765,052	1,765,052
Total revenues	<u>24,800</u>	<u>135,223</u>	<u>116,339</u>	<u>42,579</u>	<u>65,833</u>	<u>-</u>	<u>25,557</u>	<u>2,428,131</u>	<u>2,838,462</u>
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	11,718	11,718
Public safety	23,347	-	-	-	-	-	-	1,398,841	1,422,188
Public works	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	601	601
Health and welfare	-	88,212	109,473	-	75,409	-	69,427	355,050	697,571
Capital outlay	-	-	-	-	48,403	-	-	187,340	235,743
Total expenditures	<u>23,347</u>	<u>88,212</u>	<u>109,473</u>	<u>-</u>	<u>123,812</u>	<u>-</u>	<u>69,427</u>	<u>1,953,550</u>	<u>2,367,821</u>
Excess (deficiency) of revenues over (under) expenditures	1,453	47,011	6,866	42,579	(57,979)	-	(43,870)	474,581	470,641
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	30,000	645,700	675,700
Transfers out	-	(150,000)	(7,500)	(50,000)	-	-	-	(137,100)	(344,600)
Total other financing sources (uses)	<u>-</u>	<u>(150,000)</u>	<u>(7,500)</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>508,600</u>	<u>331,100</u>
Net change in fund balances	1,453	(102,989)	(634)	(7,421)	(57,979)	-	(13,870)	983,181	801,741
Fund balances-beginning of year	<u>1,842</u>	<u>135,111</u>	<u>144,165</u>	<u>34,098</u>	<u>66,336</u>	<u>14,649</u>	<u>26,804</u>	<u>611,710</u>	<u>1,034,715</u>
Fund balances-end of year	<u>\$ 3,295</u>	<u>\$ 32,122</u>	<u>\$ 143,531</u>	<u>\$ 26,677</u>	<u>\$ 8,357</u>	<u>\$ 14,649</u>	<u>\$ 12,934</u>	<u>\$ 1,594,891</u>	<u>\$ 1,836,456</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year-Ended June 30, 2007**

	Clerk Equipment and Recording	Farm and Range	Recreation	Property Valuation	C&C Transfer	Grants	Correction Fees	DARE	Sub-total
REVENUE									
Cigarette taxes	\$ -	\$ -	\$ 891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 891
Gross receipts taxes	-	-	-	-	-	-	-	-	-
Intergovernmental income	-	25,861	-	-	-	-	-	-	25,861
Charges for services	15,791	-	-	26,542	186,229	-	123,663	-	352,225
Other income	-	-	-	-	230	-	68,820	7,485	76,535
State grants	-	-	-	-	-	99,204	-	-	99,204
Total revenues	15,791	25,861	891	26,542	186,459	99,204	192,483	7,485	554,716
EXPENDITURES									
Current:									
General government	5,189	-	-	9,497	-	-	-	-	14,686
Public safety	-	-	-	-	-	-	47,216	-	47,216
Public works	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	1,650	-	-	-	-	-	1,650
Health and welfare	-	27,500	-	-	313,856	115,986	-	3,114	460,456
Capital outlay	-	6,260	-	-	18,197	-	72,930	-	97,387
Total expenditures	5,189	33,760	1,650	9,497	332,053	115,986	120,146	3,114	621,395
Excess (deficiency) of revenues over (under) expenditures	10,602	(7,899)	(759)	17,045	(145,594)	(16,782)	72,337	4,371	(66,679)
Other financing sources (uses)									
Transfers in	-	-	-	-	85,000	-	-	-	85,000
Transfers out	-	-	-	-	-	-	(85,000)	-	(85,000)
Total other financing sources (uses)	-	-	-	-	85,000	-	(85,000)	-	-
Net change in fund balances	10,602	(7,899)	(759)	17,045	(60,594)	(16,782)	(12,663)	4,371	(66,679)
Fund balances-beginning of year	6,670	113,440	1,950	148,039	131,108	62,862	196,862	17,458	678,389
Fund balances-end of year	\$ 17,272	\$ 105,541	\$ 1,191	\$ 165,084	\$ 70,514	\$ 46,080	\$ 184,199	\$ 21,829	\$ 611,710

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Non-Major Governmental Fund Types
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year-Ended June 30, 2007**

	Law Enforcement Protection	Gross Receipts Landfill	Indigent Care	Gross Receipts Environmental	EMS Grant	Enhanced 911	Hidalgo Complex	Sub-total Page 1	Total
REVENUE									
Cigarette taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 891	\$ 891
Gross receipts taxes	-	200,004	96,297	43,752	-	-	-	-	340,053
Intergovernmental income	24,248	-	-	-	54,033	-	-	25,861	104,142
Charges for services	-	-	-	-	-	-	-	352,225	352,225
Other income	-	14,197	-	-	-	-	42,644	76,535	133,376
State grants	-	-	-	-	-	-	-	99,204	99,204
Total revenues	24,248	214,201	96,297	43,752	54,033	-	42,644	554,716	1,029,891
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	14,686	14,686
Public safety	26,249	-	-	-	-	-	-	47,216	73,465
Public works	-	83,783	-	-	-	-	-	-	83,783
Culture and recreation	-	-	-	-	-	-	-	1,650	1,650
Health and welfare	-	-	81,432	-	57,276	-	66,374	460,456	665,538
Capital outlay	-	-	-	-	6,573	-	-	97,387	103,960
Total expenditures	26,249	83,783	81,432	-	63,849	-	66,374	621,395	943,082
Excess (deficiency) of revenues over (under) expenditures	(2,001)	130,418	14,865	43,752	(9,816)	-	(23,730)	(66,679)	86,809
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	85,000	85,000
Transfers out	-	(50,000)	-	(35,000)	(7,518)	-	-	(85,000)	(177,518)
Total other financing sources (uses)	-	(50,000)	-	(35,000)	(7,518)	-	-	-	(92,518)
Net change in fund balances	(2,001)	80,418	14,865	8,752	(17,334)	-	(23,730)	(66,679)	(5,709)
Fund balances-beginning of year	3,843	54,693	129,300	25,346	83,670	14,649	50,534	678,389	1,040,424
Fund balances-end of year	\$ 1,842	\$ 135,111	\$ 144,165	\$ 34,098	\$ 66,336	\$ 14,649	\$ 26,804	\$ 611,710	\$ 1,034,715

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Clerk's Equipment and Recording Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts	Budgeted Amounts	Actual (Non-GAAP Basis)	Variances Favorable (Unfavorable) Final to Actual
	Original	Final		
Revenues:				
Charges for services	\$ 5,000	\$ 5,000	\$ 8,369	\$ 3,369
Total revenues	5,000	5,000	8,369	3,369
Add: beginning cash	18,875	18,875		
	<u>\$ 23,875</u>	<u>\$ 23,875</u>		
Expenditures:				
General government				
Operating expenditures	6,000	6,000	5,550	450
Total expenditures	6,000	6,000	5,550	450
Excess (deficiency) revenues over expenditures			2,819	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance Non-GAAP Basis			2,819	
Difference between Non-GAAP and Modified GAAP:				
Adjust accrued revenue		-	-	
Adjust accrued expenditures		-	-	
Net change in fund balance Modified GAAP Basis			2,819	
Fund balances – beginning			17,272	
Fund balances – ending			<u>\$ 20,091</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Farm & Range Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Miscellaneous Revenues	\$ 20,000	\$ 20,000	\$ 30,564	\$ 10,564
Total revenues	20,000	20,000	30,564	10,564
 Add: beginning cash	 111,105	 111,105		
	<u>\$ 131,105</u>	<u>\$ 131,105</u>		
Expenditures:				
Health and welfare				
Operating expenditures	46,300	46,300	25,000	21,300
Capital outlay	50,000	50,000	-	50,000
Total expenditures	96,300	96,300	25,000	71,300
 Excess (deficiency) revenues over expenditures			5,564	
 Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
 Net change in fund balance Modified GAAP Basis			5,564	
 Fund balances – beginning			105,541	
 Fund balances – ending			<u>\$ 111,105</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Recreation Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Cigarette taxes	\$ 600	\$ 600	\$ 389	\$ (211)
Total revenues	600	600	389	(211)
Add: beginning cash	1,494	1,494		
	<u>\$ 2,094</u>	<u>\$ 2,094</u>		
Expenditures:				
Culture and recreation				
Operating expenditures	650	650	601	49
Total expenditures	650	650	601	49
Excess (deficiency) revenues over expenditures			(212)	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance Non-GAAP basis			(212)	
Difference between Non-GAAP and Modified GAAP Adjust accrued revenue			114	
Net change in fund balance Modified GAAP basis			(98)	
Fund balances – beginning			1,191	
Fund balances – ending			<u>\$ 1,093</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Property Valuation Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Property taxes	\$ 20,000	\$ 20,000	\$ 28,587	\$ 8,587
Total revenues	<u>20,000</u>	<u>20,000</u>	28,587	8,587
Add: beginning cash	178,423	178,423		
	<u>\$ 198,423</u>	<u>\$ 198,423</u>		
Expenditures:				
General government				
Personnel expenditures	2,153	2,153	-	2,153
Operating expenditures	12,805	12,805	5,794	7,011
Capital outlay	20,000	20,000	-	20,000
Total expenditures	<u>34,958</u>	<u>34,958</u>	<u>5,794</u>	<u>29,164</u>
Excess (deficiency) revenues over expenditures			22,793	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance Non-GAAP basis			22,793	
Difference between Non-GAAP and Modified GAAP Adjust accrued expenditures			<u>(374)</u>	
Net change in fund balance Modified GAAP basis			22,419	
Fund balances – beginning			<u>165,084</u>	
Fund balances – ending			<u>\$ 187,503</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
C & C Transfer Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Charges for services	\$ 155,000	\$ 155,000	\$ 228,739	\$ 73,739
Total revenues	<u>155,000</u>	<u>155,000</u>	<u>228,739</u>	<u>73,739</u>
Add: beginning cash	181,833	181,833		
	<u>\$ 336,833</u>	<u>\$ 336,833</u>		
Expenditures:				
Health and welfare				
Personnel expenditures	93,743	93,743	86,236	7,507
Operating expenditures	264,455	264,455	243,249	21,206
Capital outlay	-	-	-	-
Total expenditures	<u>358,198</u>	<u>358,198</u>	<u>329,485</u>	<u>28,713</u>
Excess (deficiency) revenues over expenditures			(100,746)	
Other financing sources (uses)				
Transfers in	200,000	200,000	200,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance Non-GAAP basis			99,254	
Difference between GAAP and Non-GAAP				
Adjust accrued revenue		(2,694)		
Adjust accrued expenditures		<u>(565)</u>	<u>(3,259)</u>	
Net change in fund balance Modified GAAP basis			95,995	
Fund balances – beginning			<u>70,514</u>	
Fund balances – ending			<u>\$ 166,509</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
State grants	\$ 5,133,389	\$ 5,133,389	\$ 1,168,944	\$ (3,964,445)
Total revenues	5,133,389	5,133,389	1,168,944	(3,964,445)
Add: beginning cash	694,965	694,965		
	<u>\$ 5,828,354</u>	<u>\$ 5,828,354</u>		
Expenditures:				
Public safety				
Personnel expenditures	292,984	292,984	181,838	111,146
Operating expenditures	4,990,327	4,900,327	1,183,106	3,717,221
Capital outlay	54,079	144,079	115,149	28,930
Total expenditures	<u>5,337,390</u>	<u>5,337,390</u>	<u>1,480,093</u>	<u>3,857,297</u>
Excess (deficiency) revenues over expenditures			(311,149)	
Other financing sources (uses)				
Transfers in	500,000	500,000	445,700	(54,300)
Transfers out	(54,300)	(54,300)	-	54,300
Total other financing sources (uses)	<u>445,700</u>	<u>445,700</u>	<u>445,700</u>	<u>-</u>
Net change in fund Non-GAAP basis			134,551	
Difference between Non-GAAP and Modified GAAP				
Adjust accrued revenue		596,108		
Adjust accrued expense		<u>(59,233)</u>	<u>536,875</u>	
Net change in fund Modified GAAP basis			671,426	
Fund balances – beginning			<u>46,080</u>	
Fund balances – ending			<u>\$ 717,506</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Correction Fees Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Charges for services	\$ -	\$ -	\$ 297,951	\$ 297,951
Miscellaneous income	100,000	100,000	26,595	(73,405)
Total revenues	100,000	100,000	324,546	224,546
Add: beginning cash	261,925	261,925		
	<u>\$ 361,925</u>	<u>\$ 361,925</u>		
Expenditures:				
Public safety				
Operating expenditures	71,300	71,300	40,053	31,247
Capital outlay	-	-	-	-
Total expenditures	71,300	71,300	40,053	31,247
Excess (deficiency) revenues over expenditures			284,493	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(87,100)	(87,100)	(137,100)	(50,000)
Total other financing sources (uses)	(87,100)	(87,100)	(137,100)	(50,000)
Net change in fund balance Non-GAAP basis			147,393	
Difference between Non-GAAP and Modified GAAP				
Adjust accrued revenue		22,475		
Adjust accrued expenditures		(1,983)	20,492	
Net change in fund balance Modified GAAP basis			167,885	
Fund balances – beginning			184,199	
Fund balances – ending			<u>\$ 352,084</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
DARE Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Charges for services	\$ 5,000	\$ 5,000	\$ 21,990	\$ 16,990
Total revenues	5,000	5,000	21,990	16,990
Add: beginning cash	37,139	37,139		
	<u>\$ 42,139</u>	<u>\$ 42,139</u>		
Expenditures:				
Public safety				
Operating expenditures	5,000	5,000	4,819	181
Total expenditures	5,000	5,000	4,819	181
Excess (deficiency) revenues over expenditures			17,171	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance Modified GAAP basis			17,171	
Fund balances – beginning			<u>21,829</u>	
Fund balances – ending			<u>\$ 39,000</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
LEPF Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Actual
Revenues:				
Intergovernmental income	\$ 24,800	\$ 24,800	\$ 24,800	\$ -
Miscellaneous	-	-	-	-
Total revenues	<u>24,800</u>	<u>24,800</u>	<u>24,800</u>	
Add: beginning cash	9,015	9,015		
	<u>\$ 33,815</u>	<u>\$ 33,815</u>		
Expenditures:				
Public safety				
Operating expenditures	24,800	24,800	21,456	3,344
Total expenditures	<u>24,800</u>	<u>24,800</u>	<u>21,456</u>	<u>3,344</u>
Excess (deficiency) revenues over expenditures			3,344	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance Non-GAAP basis			3,344	
Difference between Non-GAAP and Modified GAAP Adjust accrued expenditures			<u>(1,891)</u>	
Net change in fund balance Modified GAAP basis			1,453	
Fund balances – beginning			<u>1,842</u>	
Fund balances – ending			<u>\$ 3,295</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Gross Receipts/Landfill Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Gross receipts taxes	\$ 160,000	\$ 160,000	\$ 138,145	\$ (21,855)
Miscellaneous income	-	-	4,649	4,649
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>142,794</u>	<u>(17,206)</u>
Add: beginning cash	27,020	27,020		
	<u>\$ 187,020</u>	<u>\$ 187,020</u>		
Expenditures:				
Health and welfare				
Personnel expenditures	41,509	41,509	41,854	(345)
Operating expenditures	60,000	60,000	45,866	14,134
Total expenditures	<u>101,509</u>	<u>101,509</u>	<u>87,720</u>	<u>13,789</u>
Excess (deficiency) revenues over expenditures			55,074	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(150,000)	(150,000)	(150,000)	-
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Net change in fund balance Non-GAAP basis			(94,926)	
Difference between Non-GAAP and Modified GAAP				
Adjust accrued revenue		(7,571)		
Adjust accrued expenditures		<u>(492)</u>	<u>(8,063)</u>	
Net change in fund balance Modified GAAP basis			(102,989)	
Fund balances – beginning			<u>135,111</u>	
Fund balances – ending			<u>\$ 32,122</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Indigent Care Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Gross receipts taxes	\$ 100,000	\$ 100,000	\$ 116,339	\$ 16,339
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>116,339</u>	<u>16,339</u>
Add: beginning cash	164,691	164,691		
	<u>\$ 264,691</u>	<u>\$ 264,691</u>		
Expenditures:				
Health and welfare				
Operating expenditures	104,701	120,701	110,942	9,759
Total expenditures	<u>104,701</u>	<u>120,701</u>	<u>110,942</u>	<u>9,759</u>
Excess (deficiency) revenues over expenditures			5,397	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(7,500)	(7,500)	(7,500)	-
Total other financing sources (uses)	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Net change in fund balance Non-GAAP basis			(2,103)	
Difference between Non-GAAP and Modified GAAP				
Adjust accrued revenue		-		
Adjust accrued expenditures		1,469	1,469	
Net change in fund balance Modified GAAP basis			(634)	
Fund balances – beginning			<u>144,165</u>	
Fund balances – ending			<u>\$ 143,531</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Gross Receipts Environmental Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Gross receipts taxes	\$ 30,000	\$ 30,000	\$ 44,835	\$ 14,835
Total revenues	30,000	30,000	44,835	14,835
Add: beginning cash	16,332	16,332		
	<u>\$ 46,332</u>	<u>\$ 46,332</u>		
Expenditures:				
Public works				
Operating expenditures	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) revenues over expenditures			44,835	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance Non-GAAP basis			(5,165)	
Difference between Non-GAAP and Modified GAAP				
Adjust accrued revenue			<u>(2,256)</u>	
Net change in fund balance Modified GAAP basis			(7,421)	
Fund balances – beginning			<u>34,098</u>	
Fund balances – ending			<u>\$ 26,677</u>	

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
EMS Grant Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008**

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Intergovernmental income	\$ 56,496	\$ 56,496	\$ 65,561	\$ 9,065
Other income	-	-	272	272
Total revenues	56,496	56,496	65,833	9,337
Add: beginning cash	104,423	104,423		
	\$ 160,919	\$ 160,919		
Expenditures:				
Health and welfare				
Operating expenditures	59,746	71,636	62,567	9,069
Capital outlay	-	60,000	68,916	(8,916)
Total expenditures	59,746	131,636	131,483	153
Excess (deficiency) revenues over expenditures			(65,650)	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance Non-GAAP basis			(65,650)	
Difference between Non-GAAP and Modified GAAP				
Adjust accrued expenditures		7,671		
Adjust transfers		-	7,671	
Net change in fund balance Modified GAAP basis			(57,979)	
Fund balances – beginning			66,336	
Fund balances – ending			\$ 8,357	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Enhanced 911 Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Intergovernmental income	\$ 557,705	\$ 557,705	\$ -	\$ (557,705)
Total revenues	<u>557,705</u>	<u>557,705</u>	<u>-</u>	<u>(557,705)</u>
Add: beginning cash	14,649	14,649		
	<u>\$ 572,354</u>	<u>\$ 572,354</u>		
Expenditures:				
Health and welfare				
Operating expenditures	382,630	382,630	-	382,630
Capital outlay	175,075	175,075	-	175,075
Total expenditures	<u>557,705</u>	<u>557,705</u>	<u>-</u>	<u>557,705</u>
Excess (deficiency) revenues over expenditures			-	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance Modified GAAP basis			-	
Fund balances – beginning			<u>14,649</u>	
Fund balances – ending			<u>\$ 14,649</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Special Revenue Fund
Hidalgo Complex Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable Unfavorable Final to Actual
Revenues:				
Miscellaneous revenues	\$ 30,000	\$ 30,000	\$ 38,479	\$ 8,479
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>38,479</u>	<u>8,479</u>
Add: beginning cash	4,046	4,046		
	<u>\$ 34,046</u>	<u>\$ 34,046</u>		
Expenditures:				
Health and welfare				
Personnel expenditures	38,585	41,565	42,560	(995)
Operating expenditures	24,100	27,120	26,735	385
Total expenditures	<u>62,685</u>	<u>68,685</u>	<u>69,295</u>	<u>(610)</u>
Excess (deficiency) revenues over expenditures			(30,816)	
Other financing sources (uses)				
Transfers in	30,000	30,000	30,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance Non-GAAP basis			(816)	
Difference between Non-GAAP and Modified GAAP				
Adjust accrued revenue		(12,922)		
Adjust accrued expenditures		<u>(132)</u>	<u>(13,054)</u>	
Net change in fund balance Modified GAAP basis			(13,870)	
Fund balances – beginning			<u>26,804</u>	
Fund balances – ending			<u>\$ 12,934</u>	

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

CAPITAL PROJECTS FUNDS

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Capital Projects Funds
Combining Balance Sheet
For the Year-Ended June 30, 2008**

	Hospital Acquisition	CDBG Renovation	Detention Building	FEMA Disaster	Total
ASSETS					
Cash	\$ 78,787	\$ -	\$ 419,110	\$ 570,750	\$ 1,068,647
Other receivables	-	-	-	-	-
Due from other governments	-	-	130	16,574	16,704
Total assets	<u>\$ 78,787</u>	<u>\$ -</u>	<u>\$ 419,240</u>	<u>\$ 587,324</u>	<u>\$ 1,085,351</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance					
Reserved for capital projects funds	78,787	-	419,240	587,324	1,085,351
Total fund balances	<u>78,787</u>	<u>-</u>	<u>419,240</u>	<u>587,324</u>	<u>1,085,351</u>
Total liabilities and fund balances	<u>\$ 78,787</u>	<u>\$ -</u>	<u>\$ 419,240</u>	<u>\$ 587,324</u>	<u>\$ 1,085,351</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Capital Projects Funds
Combining Balance Sheet
For the Year-Ended June 30, 2007**

	Hospital Acquisition	CDBG Renovation	Detention Building	FEMA Disaster	Total
ASSETS					
Cash	\$ 82,326	\$ 278	\$ 266,784	\$ 570,750	\$ 920,138
Due from other governments	-	-	11,356	16,574	27,930
Total assets	<u>\$ 82,326</u>	<u>\$ 278</u>	<u>\$ 278,140</u>	<u>\$ 587,324</u>	<u>\$ 948,068</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	278	-	-	278
Total liabilities	<u>-</u>	<u>278</u>	<u>-</u>	<u>-</u>	<u>278</u>
Fund Balance					
Reserved for capital projects funds	82,326	-	278,140	587,324	947,790
Total fund balances	<u>82,326</u>	<u>-</u>	<u>278,140</u>	<u>587,324</u>	<u>947,790</u>
Total liabilities and fund balances	<u>\$ 82,326</u>	<u>\$ 278</u>	<u>\$ 278,140</u>	<u>\$ 587,324</u>	<u>\$ 948,068</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year-Ended June 30, 2008**

	Hospital Acquisition	CDBG Renovation	Detention Building	FEMA Disaster	Total
REVENUES					
Gross receipts taxes	\$ -	\$ -	\$ 141,100	\$ -	\$ 141,100
Federal grants	-	-	-	-	-
State grants	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	-	141,100	-	141,100
EXPENDITURES					
Current:					
Health and welfare	3,539	-	-	-	3,539
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	3,539	-	-	-	3,539
Excess (deficiency) of revenues over (under) expenditures	(3,539)	-	141,100	-	137,561
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(3,539)	-	141,100	-	137,561
Fund balances-beginning	82,326	-	278,140	587,324	947,790
Fund balances-ending	\$ 78,787	\$ -	\$ 419,240	\$ 587,324	\$ 1,085,351

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year-Ended June 30, 2007**

	Hospital Acquisition	CDBG Renovation	Detention Building	FEMA Disaster	Total
REVENUES					
Gross receipts taxes	\$ -	\$ -	\$ 129,531	\$ -	\$ 129,531
Federal grants	-	-	-	666,525	666,525
State grants	-	-	-	16,574	16,574
Miscellaneous	-	-	-	-	-
Total revenues	-	-	129,531	683,099	812,630
EXPENDITURES					
Current:					
Health and welfare	972	-	-	-	972
Public works	-	-	-	12,893	12,893
Capital outlay	-	-	-	82,882	82,882
Total expenditures	972	-	-	95,775	96,747
Excess (deficiency) of revenues over (under) expenditures	(972)	-	129,531	587,324	715,883
Other Financing Sources (Uses)					
Transfers in	-	-	148,609	-	148,609
Transfers out	-	(278)	-	-	(278)
Total other financing sources (uses)	-	(278)	148,609	-	148,331
Net change in fund balances	(972)	(278)	278,140	587,324	864,214
Fund balances-beginning	83,298	278	-	-	83,576
Fund balances-ending	\$ 82,326	\$ -	\$ 278,140	\$ 587,324	\$ 947,790

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Capital Projects Fund
Hospital Acquisition Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Gross receipts taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Add: beginning cash	79,271	79,271		
	<u>\$ 79,271</u>	<u>\$ 79,271</u>		
Expenditures:				
Operating expenditures	-	-	2,036	(2,036)
Capital outlay	82,377	82,326	1,503	80,823
Total expenditures	<u>82,377</u>	<u>82,326</u>	<u>3,539</u>	<u>78,787</u>
Excess (deficiency) revenues over expenditures			(3,539)	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance Modified GAAP basis			(3,539)	
Fund balances – beginning			<u>82,326</u>	
Fund balances – ending			<u>\$ 78,787</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Capital Projects Fund
Detention Building Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Gross receipts taxes	\$ -	\$ -	\$ 152,326	\$ 152,326
Total revenues	-	-	152,326	152,326
Add: beginning cash	-	-		
	\$ -	\$ -		
Expenditures:				
General government				
Operating expenditures	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) revenues over expenditures			152,326	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance Non-GAAP basis			152,326	
Difference between Non-GAAP and Modified GAAP				
Adjust accrued revenue			(11,226)	
Net change in fund balance Modified GAAP basis			141,100	
Fund balances – beginning			278,140	
Fund balances – ending			\$ 419,240	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Capital Projects Fund
FEMA Disaster Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Federal grants	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Add: beginning cash	-	-		
	<u>\$ -</u>	<u>\$ -</u>		
Expenditures:				
Public works				
Capital outlay	-	-		-
Total expenditures	-	-	-	-
Excess (deficiency) revenues over expenditures			-	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance Non-GAAP basis			-	
Difference between Non-GAAP and Modified GAAP Adjust accrued revenue			-	
Net change in fund balance Modified GAAP basis			-	
Fund balances – beginning			<u>587,324</u>	
Fund balances – ending			<u>\$ 587,324</u>	

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

DEBT SERVICE FUNDS

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Debt Service Funds
Combining Balance Sheet
For the Year-Ended June 30, 2008**

	Hospital Debt Service	Gila-Neblitt Fire Debt Service	Totals
ASSETS			
Cash	\$ 208,783	\$ -	\$ 208,783
Total assets	<u>\$ 208,783</u>	<u>\$ -</u>	<u>\$ 208,783</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Reserved for debt service	208,783	-	208,783
Total fund balances	<u>208,783</u>	<u>-</u>	<u>208,783</u>
Total liabilities and fund balances	<u>\$ 208,783</u>	<u>\$ -</u>	<u>\$ 208,783</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Debt Service Funds
Combining Balance Sheet
For the Year-Ended June 30, 2007**

	Hospital Debt Service	Gila-Neblitt Fire Debt Service	Totals
ASSETS			
Cash	\$ 39,361	\$ 1,296	\$ 40,657
Total assets	<u>\$ 39,361</u>	<u>\$ 1,296</u>	<u>\$ 40,657</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance			
Reserved for debt service	39,361	1,296	40,657
Total fund balances	<u>39,361</u>	<u>1,296</u>	<u>40,657</u>
Total liabilities and fund balances	<u>\$ 39,361</u>	<u>\$ 1,296</u>	<u>\$ 40,657</u>

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year-Ended June 30, 2008

	Hospital Debt Service	Gila-Neblitt Fire Debt Service	Totals
REVENUES			
Gross receipts taxes	\$ 305,137	\$ 89,479	\$ 394,616
Intergovernmental income	33,929	-	33,929
Total revenues	<u>339,066</u>	<u>89,479</u>	<u>428,545</u>
EXPENDITURES			
Public safety	-	45	45
Debt service interest	28,770	217	28,987
Debt service principal	140,874	90,513	231,387
Total expenditures	<u>169,644</u>	<u>90,775</u>	<u>260,419</u>
Excess (deficiency) of revenues over (under) expenditures	<u>169,422</u>	<u>(1,296)</u>	<u>168,126</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	169,422	(1,296)	168,126
Fund balances-beginning	<u>39,361</u>	<u>1,296</u>	<u>40,657</u>
Fund balances-ending	<u>\$ 208,783</u>	<u>\$ -</u>	<u>\$ 208,783</u>

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year-Ended June 30, 2007

	Hospital Debt Service	Gila-Neblitt Fire Debt Service	Totals
REVENUES			
Gross receipts taxes	\$ 206,127	\$ -	\$ 206,127
Intergovernmental income	89,961	14,877	104,838
Total revenues	<u>296,088</u>	<u>14,877</u>	<u>310,965</u>
EXPENDITURES			
Public safety	-	256	256
Debt service interest	28,809	1,017	29,826
Debt service principal	241,405	12,334	253,739
Total expenditures	<u>270,214</u>	<u>13,607</u>	<u>283,821</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,874</u>	<u>1,270</u>	<u>27,144</u>
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	25,874	1,270	27,144
Fund balances-beginning	<u>13,487</u>	<u>26</u>	<u>13,513</u>
Fund balances-ending	<u>\$ 39,361</u>	<u>\$ 1,296</u>	<u>\$ 40,657</u>

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Debt Service Fund
Hospital Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Gross receipts taxes	\$ 179,063	\$ 179,063	\$ 305,137	\$ 126,074
Intergovernmental income	-	-	33,929	33,929
Total revenues	<u>179,063</u>	<u>179,063</u>	<u>339,066</u>	<u>160,003</u>
Add: beginning cash	-	-		
	<u>\$ 179,063</u>	<u>\$ 179,063</u>		
Expenditures:				
Debt service interest	38,189	38,189	-	38,189
Debt service principal	140,874	140,874	233,485	(92,611)
Total expenditures	<u>179,063</u>	<u>179,063</u>	<u>233,485</u>	<u>(54,422)</u>
Excess (deficiency) revenues over expenditures			105,581	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance Non-GAAP basis			105,581	
Difference between Non-GAAP and Modified GAAP Adjust accrued expenditures			<u>63,841</u>	
Net change in fund balance Modified GAAP basis			169,422	
Fund balances – beginning			<u>39,361</u>	
Fund balances – ending			<u>\$ 208,783</u>	

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Debt Service Fund
Gila-Neblitt Fire Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
Revenues:				
Intergovernmental income	\$ 13,477	\$ 13,477	\$ 89,479	\$ 76,002
Total revenues	<u>13,477</u>	<u>13,477</u>	<u>89,479</u>	<u>76,002</u>
Add: beginning cash	-	-		
	<u>\$ 13,477</u>	<u>\$ 13,477</u>		
Expenditures:				
Public safety				
Operating expenditures	-	-	-	-
Debt service interest	1,036	1,036	-	1,036
Debt service principal	12,441	12,441	-	12,441
Total expenditures	<u>13,477</u>	<u>13,477</u>	<u>-</u>	<u>13,477</u>
Excess (deficiency) revenues over expenditures			89,479	
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance Non-GAAP basis			89,479	
Difference between Non-GAAP and Modified GAAP Adjust accrued expenditures			<u>(90,775)</u>	
Net change in fund balance Modified GAAP basis			(1,296)	
Fund balances – beginning			<u>1,296</u>	
Fund balances – ending			<u>\$ -</u>	

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

PROPRIETARY FUND BUDGET

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Proprietary Fund
Ambulance
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
For the Year-Ended June 30, 2008

	Budgeted Amounts		Actual	Vaiances Favorable (Unfavorable)
	Original	Final	(Non-GAAP Basis)	Final to Actual
Revenues:				
Charges for services	\$ 225,000	\$ 225,000	\$ 256,075	\$ 31,075
State grants	25,000	25,000	12,991	(12,009)
Miscellaneous	-	-	2	2
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>269,068</u>	<u>19,068</u>
Add: beginning cash	<u>103,775</u>	<u>103,775</u>		
	<u>\$ 353,775</u>	<u>\$ 353,775</u>		
Expenditures:				
Personnel expenditures	345,930	345,930	287,195	58,735
Operating expenditures	96,546	96,546	98,447	(1,901)
Capital outlay	-	-	-	-
Total expenditures	<u>442,476</u>	<u>442,476</u>	<u>385,642</u>	<u>56,834</u>
Excess (deficiency) revenues over expenditures			(116,574)	
Other financing sources (uses)				
Transfers in	80,000	80,000	80,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balance Non-GAAP basis			(36,574)	
Differences between Non-GAAP and GAAP				
Adjust accrued revenue		38,661		
Adjust accrued expenditures		(6,226)		
Depreciation expense		(44,210)		
Loss (gain) on equipment		1,122		
Capital outlay		<u>49,617</u>	<u>38,964</u>	
Net change in fund balance GAAP basis			2,390	
Fund balances – beginning			<u>758,645</u>	
Fund balances – ending			<u>\$ 761,035</u>	

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

AGENCY FUNDS

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Fiduciary – Agency Funds
June 30, 2007**

Fiduciary – Agency Funds

These funds are used to account for monies held by the County in a custodial capacity.

Taxes Collected for Others – As the taxing and collecting authority for property taxes, the County maintains this fund to account for taxes collected on behalf of other governments until their distribution.

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Schedule of Changes in Fiduciary Assets and Liabilities – Agency Funds
June 30, 2008

Taxes Collected for Others	June 30, 2006	Additions	Deletions	June 30, 2007	Additions	Deletions	June 30, 2008
ASSETS							
Cash and cash equivalents	\$ 4,984	\$ 2,945	\$ 4,950	\$ 2,979	\$ 3,831	\$ 2,979	\$ 3,831
Taxes receivable	175,029	2,736,994	2,821,271	90,752	2,916,487	2,858,774	148,465
Total assets	<u>\$ 180,013</u>	<u>\$ 2,739,939</u>	<u>\$ 2,826,221</u>	<u>\$ 93,731</u>	<u>\$ 2,920,318</u>	<u>\$ 2,861,753</u>	<u>\$ 152,296</u>
LIABILITIES							
Deferred revenue	\$ 175,029	\$ 2,736,994	\$ 2,821,271	\$ 90,752	\$ 2,916,487	\$ 2,858,774	\$ 148,465
Taxes paid in advance	3,937	2,945	4,950	1,932	4,878	2,979	3,831
Taxes paid-suspense	1,047	-	-	1,047	-	1,047	-
Total liabilities	<u>\$ 180,013</u>	<u>\$ 2,739,939</u>	<u>\$ 2,826,221</u>	<u>\$ 93,731</u>	<u>\$ 2,921,365</u>	<u>\$ 2,862,800</u>	<u>\$ 152,296</u>

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

SUPPORTING SCHEDULES

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Schedule of Depositories
June 30, 2008**

	Type	Amount Per Bank	Plus DIT	Less O/S Cks	Balance Per Books
Western Bank					
Operating	CK	\$ 1,919,350	\$ 3,500	\$ 751,317	\$ 1,171,533
Interest Not Posted	MM	603,500	-	-	603,500
Payroll Clearing	CK	1,083	-	-	1,083
Sheriff's Bond	CK	6,173	-	6,173	-
Sheriff's Investigation	CK	41,460	-	-	41,460
Sheriff's Jail-Robert Hall	CK	8,563	-	-	8,563
Deputy Sheriff's Assoc	CK	248	-	-	248
Warrant Account	CK	429,717	-	188,927	240,790
Time Deposit	CD	3,868,000	-	-	3,868,000
Overnight	MM	200,373	-	35	200,338
Subtotal		<u>7,078,467</u>	<u>3,500</u>	<u>946,452</u>	<u>6,135,515</u>
NMFA					
Detention Center	CK	1	-	-	1
Hospital Debt Service	CK	208,783	-	-	208,783
		<u>208,784</u>	<u>-</u>	<u>-</u>	<u>208,784</u>
Subtotal		7,287,251	3,500	946,452	6,344,299
Petty Cash		<u>350</u>	<u>-</u>	<u>-</u>	<u>350</u>
Total		<u>\$ 7,287,601</u>	<u>\$ 3,500</u>	<u>\$ 946,452</u>	<u>\$ 6,344,649</u>
Fiduciary Fund					
		<u>\$ 6,173</u>	<u>\$ -</u>	<u>\$ 2,342</u>	<u>\$ 3,831</u>

Type:

CK=Checking

MM=Money Market

CD=Certificates of Deposit

	Western	NMFA	Total
Amount Held in Bank June 30, 2008	\$ 7,078,467	\$ 208,784	\$ 7,287,251
Less FDIC Insurance	200,000	208,784	408,784
Uninsured Public Funds	<u>6,878,467</u>	-	<u>6,878,467</u>
50% Collateral Requirement (Section 6-10-17 NMSA-1978)	3,439,234	-	3,439,234
Pledged Security	<u>3,498,293</u>		<u>3,498,293</u>
Over (Under) Collateral	<u>59,060</u>	<u>0</u>	<u>59,060</u>

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

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2008

Description of Pledged Collateral	Amount	Name and Location of Safekeeper
New Mexico issued securities (at face value)		
Bernalillo NM School CUSIP#085279KU0, Maturing 08/1/14	\$ 100,000	Federal Home Loan Bank of Dallas
Bernalillo NM School CUSIP#085279MD6, Maturing 08/1/12	200,000	Federal Home Loan Bank of Dallas
Carrizozo NM CUSIP#144627CZ7, Maturing 08/1/15	100,000	Federal Home Loan Bank of Dallas
Clovis NM Schools CUSIP#189414FE0, Maturing 08/1/08	300,000	Federal Home Loan Bank of Dallas
Dulce NM School CUSIP#264430FZ7, Maturing 7/1/15	300,000	Federal Home Loan Bank of Dallas
Espanola NM Pub School CUSIP#296628BQ2, Maturing 7/1/17	300,000	Federal Home Loan Bank of Dallas
Estancia NM School CUSIP#297326DD9, Maturing 10/1/10	200,000	Federal Home Loan Bank of Dallas
Grant Co NM GO CUSIP#387766BA5, Maturing 09/01/13	250,000	Federal Home Loan Bank of Dallas
Lovington NM Mun CUSIP#547473BF4, Maturing 10/1/14	450,000	Federal Home Loan Bank of Dallas
Ruidoso NM CUSIP#781346CS8, Maturing 6/1/12	75,000	Federal Home Loan Bank of Dallas
Southern Sandoval CUSIP#843789BL1, Maturing 8/1/11	265,000	Federal Home Loan Bank of Dallas
Torrance County CUSIP#891400JD6, Maturing 7/1/14	310,000	Federal Home Loan Bank of Dallas
Vaughn NM School CUSIP#922382BP0, Maturing 7/1/12	120,000	Federal Home Loan Bank of Dallas
Total New Mexico issued	2,970,000	
Federal securities (at market value)		
FNMA REMIC CUSIP#312906XG0, Maturing 8/15/21	57,873	Federal Home Loan Bank of Dallas
FNMA CUSIP#31391HGMO, Maturing 9/25/32	207,999	Federal Home Loan Bank of Dallas
FNMA CUSIP#31393CXZ1, Maturing 5/25/30	18,908	Federal Home Loan Bank of Dallas
FHLMC-2564-WR CUSIP#31393LQ22, Maturing 10/15/27	243,513	Federal Home Loan Bank of Dallas
Total Federal securities	528,293	
Total securities	\$ 3,498,293	

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Tax Roll Reconciliation
June 30, 2008**

Property taxes receivable, beginning	\$ 256,569
Changes to tax roll:	
Net taxes charged to treasurer for fiscal year	2,941,219
Adjustments:	
Increases in taxes receivables	226,034
Charge off of taxes receivables	<u>(212,541)</u>
Total receivables prior to collections	3,211,281
Collections for fiscal year ended June 30, 2008	<u>(2,858,774)</u>
Property taxes receivable, ending	<u><u>\$ 352,507</u></u>

Property taxes receivable by years:

1998	\$ 2,549
1999	3,255
2000	4,048
2001	4,767
2002	5,222
2003	6,116
2004	8,661
2005	17,400
2006	104,996
2007	<u>195,493</u>
Total taxes receivable	<u><u>\$ 352,507</u></u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Tax Rolls
For Year Ended June 30, 2008**

Agency		Property Taxes Levied 10/1/	Collected in Current Year 06/30/08	Collected To- Date	Distributed in Current Year 06/30/08	Distributed To- Date	Increases to Taxes	Decreases to Taxes	County Receivable at Year End
Municipalities									
City of Lordsburg	1998	\$ 59,457	\$ 15	\$ 59,517	\$ 15	\$ 59,517	\$ -	\$ -	\$ (60)
City of Lordsburg	1999	65,351	18	66,068	18	66,068	-	-	(717)
City of Lordsburg	2000	69,036	8	69,244	8	69,244	-	-	(208)
City of Lordsburg	2001	72,663	38	71,826	38	71,826	-	-	837
City of Lordsburg	2002	94,364	62	93,117	62	93,117	-	-	1,247
City of Lordsburg	2003	79,447	278	78,254	278	78,254	-	-	1,193
City of Lordsburg	2004	79,393	550	78,878	550	78,878	-	-	515
City of Lordsburg	2005	78,006	2,024	76,504	2,024	76,504	-	-	1,502
City of Lordsburg	2006	79,664	3,657	74,544	3,657	74,544	-	-	5,120
City of Lordsburg	2007	86,378	74,533	74,533	74,533	74,533	-	-	11,845
Total City of Lordsburg		<u>763,759</u>	<u>81,183</u>	<u>742,485</u>	<u>81,183</u>	<u>742,485</u>	-	-	<u>21,274</u>
Village of Virden	1998	735	-	742	-	742	-	-	(7)
Village of Virden	1999	894	-	898	-	898	-	-	(4)
Village of Virden	2000	939	-	938	-	938	-	-	1
Village of Virden	2001	1,076	-	1,082	-	1,082	-	-	(6)
Village of Virden	2002	1,118	-	1,110	-	1,110	-	-	8
Village of Virden	2003	1,173	-	1,164	-	1,164	-	-	9
Village of Virden	2004	1,233	-	1,224	-	1,224	-	-	9
Village of Virden	2005	1,273	7	1,259	7	1,259	-	-	14
Village of Virden	2006	1,428	70	1,399	70	1,399	-	-	29
Village of Virden	2007	1,419	1,304	1,304	1,304	1,304	-	-	115
Total Village of Virden		<u>11,288</u>	<u>1,381</u>	<u>11,120</u>	<u>1,381</u>	<u>11,120</u>	-	-	<u>168</u>
Total Municipalities		<u>\$ 775,047</u>	<u>\$ 82,564</u>	<u>\$ 753,605</u>	<u>\$ 82,564</u>	<u>\$ 753,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,442</u>

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Tax Rolls
For Year Ended June 30, 2008**

Agency		Property Taxes Levied 10/1/	Collected in Current Year 06/30/08	Collected To- Date	Distributed in Current Year 06/30/08	Distributed To- Date	Increases to Taxes	Decreases to Taxes	County Receivable at Year End
Hidalgo County									
General advalorem	1998	\$ 751,707	\$ 220	\$ 756,680	\$ 220	\$ 756,680	\$ 15,384	\$ 938	\$ 9,473
General advalorem	1999	805,825	106	829,080	106	829,080	51,322	543	27,524
General advalorem	2000	826,905	31	829,659	31	829,659	11,653	517	8,382
General advalorem	2001	956,579	141	947,675	141	947,675	6,730	870	14,764
General advalorem	2002	1,087,809	594	1,080,129	594	1,080,129	12,810	1,586	18,904
General advalorem	2003	1,159,821	1,382	1,145,846	1,382	1,145,846	1,868	954	14,889
General advalorem	2004	1,417,653	3,555	1,430,941	3,555	1,430,941	59,083	1,697	44,098
General advalorem	2005	1,385,870	11,017	1,386,186	11,017	1,386,186	44,883	342	44,225
General advalorem	2006	1,472,495	33,976	1,407,971	33,976	1,407,971	6,002	209	70,317
General advalorem	2007	1,586,512	1,478,616	1,478,616	1,478,616	1,478,616	16,299	1,239	122,956
Total General advalorem		11,451,176	1,529,638	11,292,783	1,529,638	11,292,783	226,034	8,895	375,532
Non-rendition fees	1998	570	7	616	7	616	-	-	(46)
Non-rendition fees	1999	973	-	2,687	-	2,687	-	-	(1,714)
Non-rendition fees	2000	557	-	578	-	578	-	-	(21)
Non-rendition fees	2001	514	-	637	-	637	-	-	(123)
Non-rendition fees	2002	490	2	504	2	504	-	-	(14)
Non-rendition fees	2003	468	24	454	24	454	-	-	14
Non-rendition fees	2004	55	-	66	-	66	-	-	(11)
Non-rendition fees	2005	74	-	187	-	187	-	-	(113)
Non-rendition fees	2006	66	19	66	19	66	-	-	-
Non-rendition fees	2007	-	-	-	-	-	-	-	-
Total Non-rendition fees		3,767	52	5,795	52	5,795	-	-	(2,028)

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Tax Rolls
For Year Ended June 30, 2008**

Agency	Property Taxes Levied 10/1/	Collected in Current Year 06/30/08	Collected To- Date	Distributed in Current Year 06/30/08	Distributed To- Date	Increases to Taxes	Decreases to Taxes	County Receivable at Year End
Re-appraisal program 1998	-	5	89	5	89	-	-	(89)
Re-appraisal program 1999	-	3	389	3	389	-	-	(389)
Re-appraisal program 2000	-	1	1,009	1	1,009	-	-	(1,009)
Re-appraisal program 2001	-	3	19,760	3	19,760	-	-	(19,760)
Re-appraisal program 2002	-	11	21,455	11	21,455	-	-	(21,455)
Re-appraisal program 2003	-	29	21,800	29	21,800	-	-	(21,800)
Re-appraisal program 2004	-	67	25,076	67	25,076	-	-	(25,076)
Re-appraisal program 2005	-	223	25,952	223	25,952	-	-	(25,952)
Re-appraisal program 2006	-	637	26,321	637	26,321	-	-	(26,321)
Re-appraisal program 2007	-	27,608	27,607	27,608	27,607	-	-	(27,607)
Total Re-appraisal program	-	28,587	169,458	28,587	169,458	-	-	(169,458)
Total Hidalgo County	\$ 11,454,943	\$ 1,558,277	\$ 11,468,036	\$ 1,558,277	\$ 11,468,036	\$ 226,034	\$ 8,895	\$ 204,046
State of New Mexico								
State Operational 1998	\$ 91,948	\$ 27	\$ 92,818	\$ 27	\$ 92,818	\$ -	\$ -	\$ (870)
State Operational 1999	103,863	15	106,843	15	106,843	-	-	(2,980)
State Operational 2000	109,721	4	110,064	4	110,064	-	-	(343)
State Operational 2001	145,017	23	143,658	23	143,658	-	-	1,359
State Operational 2002	105,173	59	104,416	59	104,416	-	-	757
State Operational 2003	151,488	188	149,654	188	149,654	-	-	1,834
State Operational 2004	124,229	320	125,359	320	125,359	-	-	(1,130)
State Operational 2005	144,607	1,156	144,632	1,156	144,632	-	-	(25)
State Operational 2006	160,380	3,701	153,356	3,701	153,356	-	-	7,024
State Operational 2007	164,186	152,970	152,970	152,970	152,970	-	-	11,216
Total State Operational	1,300,612	158,463	1,283,770	158,463	1,283,770	-	-	16,842

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Tax Rolls
For Year Ended June 30, 2008**

Agency		Property Taxes Levied 10/1/	Collected in Current Year 06/30/08	Collected To- Date	Distributed in Current Year 06/30/08	Distributed To- Date	Increases to Taxes	Decreases to Taxes	County Receivable at Year End
Cattle	1998	26,729	-	26,807	-	26,807	-	-	(78)
Cattle	1999	27,425	-	27,450	-	27,450	-	-	(25)
Cattle	2000	28,596	-	28,381	-	28,381	-	-	215
Cattle	2001	28,154	-	27,502	-	27,502	-	-	652
Cattle	2002	28,332	6	27,850	6	27,850	-	-	482
Cattle	2003	24,707	4	24,342	4	24,342	-	-	365
Cattle	2004	16,374	4	15,985	4	15,985	-	-	389
Cattle	2005	21,151	132	20,596	132	20,596	-	-	555
Cattle	2006	24,727	280	23,599	280	23,599	-	-	1,128
Cattle	2007	31,709	29,281	29,281	29,281	29,281	-	-	2,428
Total Cattle		257,904	29,707	251,793	29,707	251,793	-	-	6,111
Equines	1998	1,056	-	1,054	-	1,054	-	-	2
Equines	1999	877	-	868	-	868	-	-	9
Equines	2000	960	-	958	-	958	-	-	2
Equines	2001	1,193	-	1,181	-	1,181	-	-	12
Equines	2002	1,358	10	1,348	10	1,348	-	-	10
Equines	2003	1,214	8	1,182	8	1,182	-	-	32
Equines	2004	1,704	44	1,654	44	1,654	-	-	50
Equines	2005	1,669	60	1,572	60	1,572	-	-	97
Equines	2006	1,982	66	1,838	66	1,838	-	-	144
Equines	2007	1,635	1,472	1,472	1,472	1,472	-	-	163
Total Equines		13,648	1,660	13,127	1,660	13,127	-	-	521

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Tax Rolls
For Year Ended June 30, 2008**

Agency		Property Taxes Levied 10/1/	Collected in Current Year 06/30/08	Collected To- Date	Distributed in Current Year 06/30/08	Distributed To- Date	Increases to Taxes	Decreases to Taxes	County Receivable at Year End
Bison	1998	382	-	382	-	382	-	-	-
Bison	1999	301	-	302	-	302	-	-	(1)
Bison	2000	369	-	369	-	369	-	-	-
Bison	2001	371	-	367	-	367	-	-	4
Bison	2002	222	-	220	-	220	-	-	2
Bison	2003	150	-	149	-	149	-	-	1
Bison	2004	140	-	-	-	-	-	-	140
Bison	2005	148	-	-	-	-	-	-	148
Bison	2006	-	-	-	-	-	-	-	-
Bison	2007	-	-	-	-	-	-	-	-
Total Bison		2,083	-	1,789	-	1,789	-	-	294
Sheep	1998	24	-	24	-	24	-	-	-
Sheep	1999	26	-	26	-	26	-	-	-
Sheep	2000	70	-	70	-	70	-	-	-
Sheep	2001	15	-	15	-	15	-	-	-
Sheep	2002	18	-	18	-	18	-	-	-
Sheep	2003	15	-	15	-	15	-	-	-
Sheep	2004	17	-	16	-	16	-	-	1
Sheep	2005	15	-	15	-	15	-	-	-
Sheep	2006	18	-	18	-	18	-	-	-
Sheep	2007	12	12	12	12	12	-	-	-
Total Sheep		230	12	229	12	229	-	-	1

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Tax Rolls
For Year Ended June 30, 2008**

Agency	Property Taxes Levied 10/1/	Collected in Current Year 06/30/08	Collected To- Date	Distributed in Current Year 06/30/08	Distributed To- Date	Increases to Taxes	Decreases to Taxes	County Receivable at Year End
Dairy	1998	4	-	4	-	4	-	-
Dairy	1999	4	-	4	-	4	-	-
Dairy	2000	6	-	6	-	6	-	-
Dairy	2001	7	-	6	-	6	-	1
Dairy	2002	19	-	13	-	13	-	6
Dairy	2003	9	-	9	-	9	-	-
Dairy	2004	5	-	5	-	5	-	-
Dairy	2005	2	-	2	-	2	-	-
Dairy	2006	5	-	5	-	5	-	-
Dairy	2007	2	2	2	2	2	-	-
Total Dairy	63	2	56	2	56	-	-	7
Goats (2004 only)	9	-	9	-	9	-	-	-
Goats (2005 2nd year)	13	-	9	-	9	-	-	4
Goats (2006 3rd year)	15	-	11	-	11	-	-	4
Goats (2007 4th year)	28	25	24	25	24	-	-	4
Swine/Llama/Alpacca	9	9	9	9	9	-	-	-
Total Goats	74	34	62	34	62	-	-	12
Total State of New Mexico	\$ 1,574,614	\$ 189,878	\$ 1,550,826	\$ 189,878	\$ 1,550,826	\$ -	\$ -	\$ 23,788

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Tax Rolls
For Year Ended June 30, 2008**

Agency		Property Taxes Levied 10/1/	Collected in Current Year 06/30/08	Collected To- Date	Distributed in Current Year 06/30/08	Distributed To- Date	Increases to Taxes	Decreases to Taxes	County Receivable at Year End
Schools									
SD #1 & SD #6									
Operational	1998	\$ 31,450	\$ 8	\$ 31,663	\$ 8	\$ 31,663	\$ -	\$ -	\$ (213)
Operational	1999	33,866	4	34,850	4	34,850	-	-	(984)
Operational	2000	34,749	1	34,866	1	34,866	-	-	(117)
Operational	2001	40,218	6	39,845	6	39,845	-	-	373
Operational	2002	45,751	25	45,429	25	45,429	-	-	322
Operational	2003	48,789	59	48,201	59	48,201	-	-	588
Operational	2004	59,661	150	60,223	150	60,223	-	-	(562)
Operational	2005	58,176	463	58,196	463	58,196	-	-	(20)
Operational	2006	61,710	1,408	59,001	1,408	59,001	-	-	2,709
Operational	2007	66,064	61,574	61,574	61,574	61,574	-	-	4,490
Total Operational		480,434	63,698	473,848	63,698	473,848	-	-	6,586
SD #1 & SD #6									
Debt Service	1998	589,678	139	594,243	139	594,243	-	-	(4,565)
Debt Service	1999	642,178	88	655,732	88	655,732	-	-	(13,554)
Debt Service	2000	607,725	25	610,128	25	610,128	-	-	(2,403)
Debt Service	2001	565,384	139	560,270	139	560,270	-	-	5,114
Debt Service	2002	588,737	274	585,120	274	585,120	-	-	3,617
Debt Service	2003	519,249	744	512,669	744	512,669	-	-	6,580
Debt Service	2004	516,890	1,328	524,455	1,328	524,455	-	-	(7,565)
Debt Service	2005	642,851	5,360	645,847	5,360	645,847	-	-	(2,996)
Debt Service	2006	680,373	14,206	646,422	14,206	646,422	-	-	33,951
Debt Service	2007	736,109	684,492	684,492	684,492	684,492	-	-	51,617
Total Debt Service		6,089,174	706,795	6,019,378	706,795	6,019,378	-	-	69,796

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Tax Rolls
For Year Ended June 30, 2008**

Agency	Property Taxes Levied 10/1/	Collected in Current Year 06/30/08	Collected To- Date	Distributed in Current Year 06/30/08	Distributed To- Date	Increases to Taxes	Decreases to Taxes	County Receivable at Year End
SD #1 & SD #6								
Capital Imp.	1998	127,883	38	128,876	38	128,876	-	(993)
Capital Imp.	1999	139,610	20	143,522	20	143,522	-	(3,912)
Capital Imp.	2000	143,013	5	143,464	5	143,464	-	(451)
Capital Imp.	2001	164,327	26	162,785	26	162,785	-	1,542
Capital Imp.	2002	186,587	104	185,249	104	185,249	-	1,338
Capital Imp.	2003	199,109	248	196,700	248	196,700	-	2,409
Capital Imp.	2004	241,567	622	243,766	622	243,766	-	(2,199)
Capital Imp.	2005	234,352	1,874	234,391	1,874	234,391	-	(39)
Capital Imp.	2006	248,522	5,734	237,632	5,734	237,632	-	10,890
Capital Imp.	2007	267,155	248,891	248,891	248,891	248,891	-	18,264
Total Capital Imp.		1,952,125	257,562	1,925,276	257,562	1,925,276	-	26,849
Total Schools		\$ 8,521,733	\$ 1,028,055	\$ 8,418,502	\$ 1,028,055	\$ 8,418,502	\$ -	\$ 103,231
Grand Totals:		\$ 22,326,337	\$ 2,858,774	\$ 22,190,969	\$ 2,858,774	\$ 22,190,969	\$ 226,034	\$ 352,507

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

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Joint Powers Agreements
June 30, 2008**

Animal Control Agreement

Participants	County of Hidalgo and the City of Lordsburg
Responsible Party	City of Lordsburg
Description	City of Lordsburg agrees to provide animal shelter services to the County of Hidalgo.
Period	July 1, 2007-June 30, 2008
Project Costs	\$1,500 per year and anesthesia
County Contribution	\$1,500 per year and anesthesia
Audit responsibility	City of Lordsburg

Lordsburg Municipal Schools

Participants	County of Hidalgo, the City of Lordsburg, and the Lordsburg Municipal Schools
Responsible Party	County of Hidalgo
Description	To construct a vocational education facility combining the resources and access to certain resources of the three entities for the best interest of the community.
Period	May 26, 2006 to completion
Project Costs	\$946,542
County Contribution	\$336,542
Audit responsibility	County of Hidalgo

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Joint Powers Agreements
June 30, 2008**

Operations of Transfer Station

Participants	County of Hidalgo, the City of Lordsburg, and the Grant County Solid Waste Authority
Responsible Party	Grant County
Description	To provide for the operation of a regional transfer station.
Period	March 31, 1998 till indefinitely
Project Costs	Undeterminable
County Contribution	\$170,004
Audit Responsibility	County of Hidalgo

New Mexico Institute of Mining and Technology

Participants	County of Hidalgo and the New Mexico Institute of Mining and Technology
Responsible Party	County of Hidalgo
Description	To care for the educational facilities and participants. The County will provide an ambulance, a fire truck and a solid waste transfer station.
Period	July 15, 2005 till indefinitely
Project Costs	\$130,000 to be paid to the County
County Contribution	Undeterminable
Audit Responsibility	County of Hidalgo

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Joint Powers Agreements
June 30, 2008**

Inmate Housing / Dispatchers – City of Lordsburg

Participants	County of Hidalgo and City of Lordsburg
Responsible Party	County of Hidalgo
Description	To provide housing for adult prisoners and law enforcement radio dispatch for the City of Lordsburg
Period	July 1, 2007 to June 30, 2008
Project Costs	City of Lordsburg agrees to pay \$69,458 per year
County Contributions	Undeterminable
Audit Responsibility	County of Hidalgo

Inmate Housing – County of Luna

Participants	County of Hidalgo and the County of Luna
Responsible Party	County of Luna
Description	To provide housing for juvenile prisoners from the County of Hidalgo
Period	May 1, 2008 to June 30, 2009
Project Costs	\$51.63 per day per prisoner
County Contribution	Undeterminable
Audit Responsibility	County of Luna

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Joint Powers Agreements
June 30, 2008**

Emergency Disaster Plan – City of Lordsburg

Participants	County of Hidalgo and the City of Lordsburg
Responsible Party	County of Hidalgo
Description	To independent contract to develop and implement a unified comprehensive emergency disaster plan to benefit both parties.
Period	July 1, 2007 to June 30, 2008
Project Costs	\$20,000 to be paid jointly
County Contribution	\$10,000 due form the County
Audit Responsibility	County of Hildago

STATE OF NEW MEXICO
COUNTY OF HIDALGO
Schedule of Grants
June 30, 2008

	CFDA Number	State Grants	Federal Grants	Total
NMEDD, # Certified Communities Initiative		\$ 5,000	\$ -	\$ 5,000
Value Options of New Mexico, # Total Communities Approach		150,845	-	150,845
New Mexico Coalition for Literacy, #070807		16,800	-	16,800
New Mexico Dept of Finance and Administration, Local Government Division, #04-L-G-1479		26,872	-	26,872
New Mexico Department of Health, Health Consortium, #4660 HCHC		99,081	-	99,081
New Mexico Department of Transportation, #CAP-1-077623(204)		108,715	-	108,715
NMEDD, # Cooperative Advertising Grant		99,301	-	99,301
US Department of Homeland Security, through New Mexico Department of Public Safety, Office of Emergency Management, #FEMA-1659-DR-NM	97.088	18,000	-	18,000
New Mexico Public Regulation Commission, NM State Fire Marshall Fire Grant Program		1,893	-	1,893
New Mexico Department of Finance and Administration, Local Government Division #07-5289		25,000	-	25,000
New Mexico Department of Finance and Administration, Local Government Division #04-L-G-929		73,218	-	73,218
New Mexico Department of Finance and Administration, Local Government Division #04-L-G-1479		80,947	-	80,947
US Department of Homeland Security, passed through New Mexico Department of Public Safety #07-EPTALA-03-002	97.007	159,508	-	159,508
Executive Office of the President - Office of National Drug Control Policy (HIDTA) #18PSNP584Z	07.999	-	310,600	310,600
US Department of Agriculture Natural Resource Conservative Service #69-8L-30-07-003	10.664	-	358,558	358,558
Community Development Block Grant Program #07-C-RS-1-06-A-63	14.219	-	144,000	144,000
New Mexico State DWI Grant Council, DWI Grant #SP-GA-76-28 (204)		30,000	-	30,000
New Mexico State DWI Grant Council, DWI Grant #07-CD-05-044		110,100	-	110,200
		110,409	-	110,409
Total grants		<u>\$ 1,085,689</u>	<u>\$ 843,158</u>	<u>\$ 1,928,947</u>

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

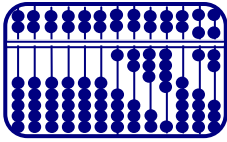
STATE OF NEW MEXICO
COUNTY OF HIDALGO
Schedule of Expenditures of Federal Awards
June 30, 2008

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Prgram or Grant Number	Award Amount	Expenditures
US Department of Homeland Security, passed through New Mexico Department of Public Safety	97.007	#07-EPTALA-03-002	\$ 310,600	\$ 198,132
Executive Office of the President - Office of National Drug Control Policy (HIDTA)	07.999	#18PSNP584Z	589,022	410,644
US Department of Agriculture Natural Resource Conservative Service	10.664	#69-8L-30-07-003	144,000	144,000
Community Development Block Grant Program	14.219	#07-C-RS-1-06-A-63	<u>30,000</u>	<u>1,500</u>
Total			<u>\$ 1,073,622</u>	<u>\$ 754,276</u>

Note 1. Basis of Presentation

The above Schedule of Expenditures of federal awards includes the federal grant activity of the County of Hidalgo and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the basic financial statements.

COMPLIANCE SECTION



MARCUS,
FAIRALL,
BRISTOL + CO., L.L.P.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Hector H. Balderas
New Mexico State Auditor
The Board of Commissioners
County of Hidalgo
Lordsburg, New Mexico

We have audited the financial statements of the governmental activities, each major fund, business type activities, and the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds, and the combining and individual funds presented as supplemental information of the County of Hidalgo (County) as of and for the year-ended June 30, 2008 and have issued our report thereon dated March 24, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and with standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course or performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described as 07-01, 08-02, and 08-03 in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies, and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, the significant deficiency described above is a material weakness.

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 no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

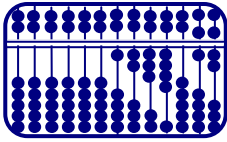
The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County Commissioners, management, Federal and State Awarding agencies, Department of Finance and Administration – Local Governments, the New Mexico State Legislature, and the Office of the New Mexico State Auditor and is not intended to be and should not be used by anyone other than these specified parties.



Marcus, Fairall, Bristol, & Co., L.L.P.
El Paso, Texas

March 24, 2009



MARCUS,
FAIRALL,
BRISTOL + CO., L.L.P.

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

Hector H. Balderas
New Mexico State Auditor
The Board of Commissioners
County of Hidalgo
Lordsburg, New Mexico

Compliance

We have audited the compliance of the County of Hidalgo with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year-ended June 30, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Hidalgo's management. Our responsibility is to express an opinion on the County of Hidalgo's compliance based on our audit.

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

In our opinion, the County of Hidalgo complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year-ended June 30, 2008.

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A Firm of Certified Public Accountants
6090 Surety Drive, Suite 100 • El Paso, TX 79905 • (915) 775-1040
Facsimile:(915) 775-1849 • marcfair@marcfair.com

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

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

This report is intended solely for the information and use of the County Commissioners, management, Federal and State Awarding agencies and the Office of the New Mexico State Auditor, Department of Finance and Administration – Local Governments, and the New Mexico State Legislature, and is not intended to be and should not be used by anyone other than these specified parties.

Marcus, Fairall, Bristol + Co. LLP

Marcus, Fairall, Bristol + Co., LLP
El Paso, Texas

March 24, 2009

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Schedule of Findings and Questioned Costs
June 30, 2008**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness (es) identified? Yes No
- Control deficiencies Yes No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? Yes No
- Significant deficiencies identified that are not considered to be material weakness (es)? Yes None reported

Type of auditors’ report issued on compliance with major programs: Unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of Major Programs:

C DFA Number

Name of Federal Program or Cluster

97.039

US Department of Homeland Security, FEMA Disaster Assistance

07.999

Executive Office of the President – Office of National Drug Control Policy

Dollar threshold used to distinguish between Type A and Type B programs

\$ 300,000

Auditee qualified as low-risk auditee

Yes No

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Schedule of Findings and Questioned Costs
June 30, 2008**

Section II – Financial Statement Findings

PRIOR YEAR FINDINGS:

07-01	Failure to Apply GAAP	Repeated and revised
07-02	Legal Compliance with Budget	Resolved

CURRENT YEAR FINDINGS:

SIGNIFICANT DEFICIENCIES:

Finding 07-01 Failure to Apply GAAP

Condition

Employees lack the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or in preparing its financial statements.

Criteria

Employees or management should possess the qualifications and training to apply GAAP in recording the entity's financial transactions or preparing its financial statements (Subsection H, 2.2.2.8 NMAC)

Effect

The employees were not able to apply GAAP when recording transactions.

Cause

Failure to ensure that all employees were trained in applying GAAP.

Recommendation

We suggest that management ensure that all employees receive training in applying GAAP when recording daily transactions.

Response

We will make contact with our financial software representatives to see if they have training available to teach our employees and elected officials the skills they need to apply GAAP. We will also contact the New Mexico Association of Counties to see if training can be obtained through their organization.

Finding 08-02 Audit Report submission to the New Mexico State Auditor

Condition

The required submission date of the audit report for the fiscal year ended June 30, 2008 to the New Mexico State Auditor was December 1, 2008. The June 30, 2008 audited financial statements were submitted March 31, 2009.

Criteria

New Mexico State Statutes Section 12-6-12 requires the state auditor to promulgate reasonable regulations necessary to carry out the duties of the office. NMAC 2-2-2-9 requires that the County submit the audit report by December 1 following the end of each fiscal year at June 30.

Cause

Additional time was needed for the Auditors to receive confirmations from various agencies to support the accuracy of the information reported in the financial statements.

Effect

Delays in the submission of the audit reports affecting the reporting of financial information to other state agencies and local governments.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Schedule of Findings and Questioned Costs
June 30, 2008**

Section II – Financial Statement Findings (continued)

Finding 08-02 Audit Report submission to the New Mexico State Auditor (continued)

Recommendation

Insist that the audit field work be started earlier so that the audit report can be submitted on a timely basis.

Response

We will work more closely with our auditor to see that field work is started earlier and that a schedule is followed more closely so that the audit report can be submitted on a timely basis.

Finding 08-03 Obsolete County Records

Condition

Destruction of obsolete records were not being reported to the state records administrator.

Criteria

Section 14-1-8 NMSA 1978 requires, “An official charged with the custody of any records and intends to destroy those records, shall give notice by registered or certified mail to the state records administrator, state records center, Santa Fe, New Mexico, of the date of the proposed destruction and the type and date of the records he or she intends to destroy. The notice shall be sent at least sixty days before the date of the proposed destruction.”

Cause

All departments of the County were not aware of the requirements of Section 14-1-8.

Effect

If the State Records Administrator wishes to preserve any of the records, the Official shall allow the State Records Administrator to have the documents by calling for them at the place of storage.

Recommendation

The County should appoint a person to be responsible for custody of the obsolete records, prepare the required reports and arrange the final destruction of obsolete records.

Response

Hidalgo County will designate one individual to be responsible for the disposing of obsolete county records. We will also implement a policy that will be followed by all departments. This information will be distributed to all departments.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Schedule of Findings and Questioned Costs
June 30, 2008**

Section III – Federal Award Findings and Questioned Costs.

There are no current year findings.

**STATE OF NEW MEXICO
COUNTY OF HIDALGO
Exit Conference
June 30, 2008**

EXIT CONFERENCE

As exit conference was held on March 24, 2009, in a closed meeting with Jack Fairall, CPA, and Mary Auger, CPA, of Marcus, Fairall, Bristol & Co., L.L.P. with the following County officials:

Roger Ellis	County Manager
Patsy Camacho	County Treasurer
Saturino Madero	Under Sheriff
Harold W. Kuenstler	County Commissioner
Connie Corbell	Finance Manager

COMPILATION OF FINANCIAL STATEMENTS

The financial statements presented in this report were compiled by the auditors, Marcus, Fairall, Bristol, and Co., L.L.P. However, the contents of the financial statements remain the responsibility of management.