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## **INTRODUCTORY SECTION**

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**STATE OF NEW MEXICO  
MCKINLEY COUNTY**

Official Roster  
June 30, 2009

Elected Officials

Billy W. Moore	Commission Chairman
David R. Dallago, Jr.	County Commissioner
Ernest C. Becenti, Jr.	County Commissioner
Jacqueline Sloan	County Clerk
Richard Bowman	County Treasurer
Sarah Ortiz	County Assessor
Frank Gonzales	County Sheriff
Tommy Nelson	County Probate Judge

Administrative Officials

Tom D. Trujillo	County Manager
Douglas W. Decker	County Attorney
Sara A. Keeler	Finance Director
Helen M. Grenko	Controller

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**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
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**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**

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**STATE OF NEW MEXICO  
MCKINLEY COUNTY**

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**FINANCIAL SECTION**

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# Griego Professional Services, LLC

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Hector Balderas  
New Mexico State Auditor  
The Board of McKinley County Commissioners  
McKinley County  
Gallup, New Mexico

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information consisting of the aggregate nonmajor governmental fund and the fiduciary fund in the fund financial statements, and the budgetary comparisons of the general and major special revenue funds of McKinley County, New Mexico, (the County) as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's nonmajor governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009 as listed in the table of contents. These financial statements are the responsibility of McKinley County, New Mexico's, management. Our responsibility is to express opinions on these financial statements based on our audit.

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

Management has not reconciled the County's bank accounts accurately or in a timely fashion. The bank accounts were considered reconciled by the County, but there were unreconciled differences remaining between the Finance Department and Treasurer's Office. The County was not able to determine the exact cause for the differences so an unreconciled difference remains.

In our opinion, except for the issues regarding cash described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of McKinley County, New Mexico, as of June 30, 2009, and the respective changes in financial position, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of McKinley County, New Mexico, as of June 30, 2009, and the respective changes in financial position, thereof and the respective budgetary comparisons of each major capital project fund and all nonmajor funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 9, 2010 on our consideration of McKinley County, 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.

P.O. Box 37379 • Albuquerque, NM 87176-7379  
8500 Menaul Blvd. NE, Ste. B295 • Albuquerque, NM 87112  
Phone (505) 856-2741 - Fax (505) 856-7510

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For the year ended June 30, 2009, the County has not presented the *Management's Discussion and Analysis* that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the McKinley County, New Mexico's, basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The additional schedules listed as, "Supporting Schedules" in the table of contents are presented for additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

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

Albuquerque, New Mexico  
April 9, 2010

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**BASIC  
FINANCIAL STATEMENTS**

STATE OF NEW MEXICO

McKinley County  
Statement of Net Assets  
June 30, 2009

Exhibit A-1

	<u>Governmental Activities</u>
<b>Assets</b>	
Current Assets	
Cash and cash equivalents	\$ 17,548,774
Restricted cash and equivalents	9,982,598
Investments	28,138,008
Property taxes receivable	527,870
Due from other governments	922,940
Other accounts receivable	1,697,815
Prepaid Expenses	<u>308,272</u>
Total Current Assets	<u>59,126,277</u>
Noncurrent Assets	
Bond issuance costs (net of accumulated amortization of \$718,720)	223,443
Original issue discounts (net of accumulated amortization of \$660)	49,340
Capital assets	98,014,230
Less: accumulated depreciation	<u>(43,764,701)</u>
Total Noncurrent Assets	<u>54,522,312</u>
Total Assets	<u><u>\$ 113,648,589</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

McKinley County  
Statement of Net Assets  
June 30, 2009

Exhibit A-1

	Governmental Activities
<b>Liabilities</b>	
Current Liabilities	
Accounts payable	\$ 3,170,904
Accrued payroll liabilities	353,192
Accrued Interest payable	117,013
Accrued compensated absences	141,384
Current portion of capital leases payable	228,746
Current portion of landfill closure & postclosure costs	30,000
Current portion of bonds payable	1,740,000
Total Current Liabilities	5,781,239
Noncurrent Liabilities	
Accrued compensated absences	262,571
Landfill closure & postclosure costs	188,000
Bonds payable	21,895,000
Total Noncurrent Liabilities	22,345,571
Total Liabilities	28,126,810
<b>Net Assets</b>	
Invested in capital assets, net of related debt	30,385,783
Restricted for:	
Debt service	2,033,021
Capital projects	15,461,826
Unrestricted	37,641,149
Total Net Assets	85,521,779
Total Liabilities and Net Assets	113,648,589

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 McKinley County  
 Statement of Activities  
 June 30, 2009

<u>Functions/Programs</u>	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>Functions/Programs:</b>			
<b>Primary Government</b>			
General government	\$ 7,527,654	\$ 482,278	\$ 1,661,641
Public safety	9,824,849	3,215,883	3,577,839
Public works	15,533,775	-	3,336,536
Culture and recreation	82,285	-	-
Health and welfare	4,882,565	13,373	1,457,923
Interest on long-term debt	1,034,446	-	-
	<u>38,885,574</u>	<u>3,711,534</u>	<u>10,033,939</u>
<i>Total governmental activities</i>			
<b>General Revenues:</b>			
Taxes			
Property taxes, levied for general purposes			
Property taxes, levied for debt service			
Property taxes, levied for capital projects			
Franchise taxes			
Gross receipts taxes			
Public service taxes			
Interest income			
Miscellaneous income			
Total General Revenues and Transfers			
Change in net assets			
Net assets, beginning			
Net assets, ending			

The accompanying notes are an integral part of these financial statements

Exhibit A-2

<u>Capital Grants and Contributions</u>	<u>Net (Expenses) Revenues and Changes in Net Assets</u>
\$ -	\$ (5,383,735)
-	(3,031,127)
2,755,041	(9,442,198)
-	(82,285)
-	(3,411,269)
-	(1,034,446)
<u>2,755,041</u>	<u>(22,385,060)</u>
	6,802,561
	579,097
	818,761
	12,672
	18,298,231
	2,170,604
	1,730,586
	794,377
	<u>31,206,889</u>
	8,821,829
	<u>76,699,950</u>
	<u>\$ 85,521,779</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

McKinley County  
Balance Sheet  
Governmental Funds  
June 30, 2009

	<u>General Fund</u>	<u>Road Fund</u>	<u>Adult Detention</u>
<b>Assets</b>			
<i>Current:</i>			
Cash and cash equivalents	\$ 6,595,462	\$ 1,094,683	\$ 180,359
Investments	14,162,155	-	-
Accounts receivable			
Property taxes	476,203	-	-
Intergovernmental	-	155,000	50,000
Other receivables	225,202	66,840	302,556
Prepaid expenses	308,272	-	-
<i>Total assets</i>	<u>\$ 21,767,294</u>	<u>\$ 1,316,523</u>	<u>\$ 532,915</u>
 <b>Liabilities and fund balances</b>			
<i>Liabilities</i>			
Accounts payable	\$ 421,780	\$ 454,967	\$ 235,419
Accrued payroll liabilities	162,992	23,352	73,267
Deferred revenue - property taxes	414,501	-	-
<i>Total liabilities</i>	<u>999,273</u>	<u>478,319</u>	<u>308,686</u>
 <b>Fund balances</b>			
Unreserved:			
Undesignated, reported in:			
General fund	20,768,021	-	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
Special revenue funds	-	838,204	224,229
<i>Total fund balances</i>	<u>20,768,021</u>	<u>838,204</u>	<u>224,229</u>
 <i>Total liabilities and fund balances</i>	<u>\$ 21,767,294</u>	<u>\$ 1,316,523</u>	<u>\$ 532,915</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>	<u>Law Enforcement JDC Building</u>	<u>Other Governmental Fund</u>	<u>Total</u>
\$ 712,964	\$ 6,538,605	\$ 12,409,299	\$ 27,531,372
5,900,811	1,386,655	6,688,387	28,138,008
-	-	51,667	527,870
-	-	717,940	922,940
129,090	-	974,127	1,697,815
-	-	-	308,272
<u>\$ 6,742,865</u>	<u>\$ 7,925,260</u>	<u>\$ 20,841,420</u>	<u>\$ 59,126,277</u>
\$ -	\$ 1,307,844	\$ 750,894	\$ 3,170,904
-	-	93,581	353,192
-	-	45,232	459,733
<u>-</u>	<u>1,307,844</u>	<u>889,707</u>	<u>3,983,829</u>
-	-	-	20,768,021
6,742,865	6,617,416	2,101,545	15,461,826
-	-	1,959,973	1,959,973
-	-	15,890,195	16,952,628
<u>6,742,865</u>	<u>6,617,416</u>	<u>19,951,713</u>	<u>55,142,448</u>
<u>\$ 6,742,865</u>	<u>\$ 7,925,260</u>	<u>\$ 20,841,420</u>	<u>\$ 59,126,277</u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**

McKinley County

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Assets

June 30, 2009

Exhibit B-1

Page 3 of 3

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

Fund balances - total governmental funds	\$	55,142,448
Issuance costs, net of accumulated amortization		223,443
Original issue discounts, net of accumulated amortization		49,340
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		54,249,529
Other long-term assets are not available to pay for current-period expenditures and therefore, are deferred in the funds:		
Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred revenue in the fund financial statements, but are considered revenue in the Statement of Activities		459,733
Accrued interest		(117,013)
Current portion of accrued compensate absences		(141,384)
Current portion of leases payable		(228,746)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued compensated absences		(262,571)
Bonds payable		(23,635,000)
Landfill closure & post closure costs		(218,000)
		85,521,779
Net assets-Governmental Activities	\$	85,521,779

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 McKinley County  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ending June 30, 2009

	<u>General Fund</u>	<u>Road Fund</u>	<u>Adult Detention</u>
<i>Revenues:</i>			
Taxes	\$ 10,783,382	\$ 1,394,070	\$ 1,184,716
Federal Grants	1,311,596	285,914	-
State & Local Grants	360,045	3,050,622	325,000
Charges for Services	167,411	-	2,315,326
Licenses and Fees	101,679	-	37,314
Interest Income	1,727,279	-	-
Miscellaneous	136,979	765	863
<i>Total Revenues</i>	<u>14,588,371</u>	<u>4,731,371</u>	<u>3,863,219</u>
<i>Expenditures:</i>			
<i>Current:</i>			
General Government	5,097,335	-	-
Public Safety	3,731,853	-	4,203,223
Public Works	-	7,004,379	-
Culture and Recreation	70,125	-	-
Health and Welfare	141,966	-	-
Capital Outlay	199,163	-	244,423
<i>Debt Service:</i>			
Principal	-	-	-
Interest	-	-	-
Bond Issuance Costs	-	-	-
<i>Total Expenditures</i>	<u>9,240,442</u>	<u>7,004,379</u>	<u>4,447,646</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>5,347,929</u>	<u>(2,273,008)</u>	<u>(584,427)</u>
<i>Other financing sources (uses)</i>			
Transfers In	432,918	2,000,000	450,000
Transfers (Out)	(2,348,700)	-	-
Bond Proceeds	-	-	-
Bond Discount	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,915,782)</u>	<u>2,000,000</u>	<u>450,000</u>
<i>Net change in fund balance</i>	3,432,147	(273,008)	(134,427)
<i>Fund balance - beginning of year</i>	17,335,874	1,111,212	358,656
<i>Fund balance - end of year</i>	<u>\$ 20,768,021</u>	<u>\$ 838,204</u>	<u>\$ 224,229</u>

The accompanying notes are an integral part of these financial statements

<u>Capital Projects</u>	<u>Law Enforcement JDC Building</u>	<u>Other Governmental Fund</u>	<u>Total</u>
\$ 1,272,675	\$ -	\$ 15,310,515	\$ 29,945,358
-	-	252,576	1,850,086
305,000	-	5,510,114	9,550,781
-	-	663,776	3,146,513
-	-	426,028	565,021
-	-	3,307	1,730,586
-	-	655,770	794,377
<u>1,577,675</u>	<u>-</u>	<u>22,822,086</u>	<u>47,582,722</u>
48,542	-	1,080,964	6,226,841
-	355,423	6,555,094	14,845,593
-	-	1,859,946	8,864,325
-	-	3,654	73,779
-	-	3,725,261	3,867,227
-	3,115,832	3,513,871	7,073,289
-	-	1,780,000	1,780,000
-	-	983,373	983,373
-	211,329	-	211,329
<u>48,542</u>	<u>3,682,584</u>	<u>19,502,163</u>	<u>43,925,756</u>
<u>1,529,133</u>	<u>(3,682,584)</u>	<u>3,319,923</u>	<u>3,656,966</u>
-	-	2,945,681	5,828,599
-	-	(3,479,899)	(5,828,599)
-	10,350,000	-	10,350,000
-	(50,000)	-	(50,000)
<u>-</u>	<u>10,300,000</u>	<u>(534,218)</u>	<u>10,300,000</u>
1,529,133	6,617,416	2,785,705	13,956,966
5,213,732	-	17,166,008	41,185,482
<u>\$ 6,742,865</u>	<u>\$ 6,617,416</u>	<u>\$ 19,951,713</u>	<u>\$ 55,142,448</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO  
 McKinley County  
 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, 2009

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

Net change in fund balances - total governmental funds \$ 13,956,966

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

Capital expenditures	6,276,680
Depreciation expense	(3,235,657)

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

Property taxes	124,681
----------------	---------

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

Current year bond issuance costs	211,329
Amortization of bond issuance costs	(181,780)
Current year bond original issue discount	50,000
Amortization of original issue discount on bonds	(660)
Decrease in the reserve for compensated absences	183,555
Decrease in accrued interest payable	(51,073)
Bond Proceeds	(10,350,000)
Principal payments on bonds	1,780,000
Principal payments on capital leases	27,788
Principal payments on landfill payable	30,000
	30,000

Change in net assets of governmental activities	\$ 8,821,829
---	--------------

## STATE OF NEW MEXICO

Exhibit C-1

McKinley County

General Fund

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	9,122,600	9,122,600	10,551,231	1,428,631
Intergovernmental Income	988,530	988,530	1,671,641	683,111
Charges For Services	178,400	178,400	167,411	(10,989)
Licenses and Fees	86,000	86,000	101,679	15,679
Interest Income	1,400,000	1,400,000	1,727,279	327,279
Miscellaneous	101,000	101,000	136,979	35,979
<i>Total revenues</i>	<u>11,876,530</u>	<u>11,876,530</u>	<u>14,356,220</u>	<u>2,479,690</u>
<i>Expenditures:</i>				
Current:				
General Government	7,794,596	7,819,100	5,050,764	2,768,336
Public Safety	4,309,304	4,334,100	3,686,473	647,627
Public Works	-	-	-	-
Culture and Recreation	74,470	74,470	70,125	4,345
Health and Welfare	149,945	149,945	141,966	7,979
Capital Outlay	562,125	564,325	199,163	365,162
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>12,890,440</u>	<u>12,941,940</u>	<u>9,148,491</u>	<u>3,793,449</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,013,910)</u>	<u>(1,065,410)</u>	<u>5,207,729</u>	<u>6,273,139</u>
<i>Other financing sources (uses)</i>				
Designated Cash	1,013,910	1,065,410	-	(1,065,410)
Transfers In	-	-	432,918	432,918
Transfers Out	-	-	(2,348,700)	(2,348,700)
<i>Total other financing sources (uses)</i>	<u>1,013,910</u>	<u>1,065,410</u>	<u>(1,915,782)</u>	<u>(2,981,192)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	3,291,947	3,291,947
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>17,465,670</u>	<u>17,465,670</u>
<i>Fund Balance - End of Year</i>	<u>-</u>	<u>-</u>	<u>20,757,617</u>	<u>20,757,617</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			232,151	
Adjustments to expenditures (liabilities)			(91,951)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>3,432,147</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-2

McKinley County

Road Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 1,153,000	\$ 1,153,000	\$ 1,327,230	\$ 174,230
Intergovernmental Income	8,591,122	8,876,122	3,181,536	(5,694,586)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	500	500	765	265
<i>Total revenues</i>	<u>9,744,622</u>	<u>10,029,622</u>	<u>4,509,531</u>	<u>(5,520,091)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	10,184,484	10,469,484	6,940,250	3,529,234
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	120,000	120,000	-	120,000
<i>Total expenditures</i>	<u>10,304,484</u>	<u>10,589,484</u>	<u>6,940,250</u>	<u>3,649,234</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(559,862)</u>	<u>(559,862)</u>	<u>(2,430,719)</u>	<u>(1,870,857)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	559,862	559,862	-	(559,862)
Transfers In	-	-	2,000,000	2,000,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>559,862</u>	<u>559,862</u>	<u>2,000,000</u>	<u>1,440,138</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(430,719)	(430,719)
<i>Fund Balance - Beginning of Year</i>	-	-	1,525,402	1,525,402
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,094,683</u>	<u>\$ 1,094,683</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			221,840	
Adjustments to expenditures (liabilities)			(64,129)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (273,008)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-3

## McKinley County

## Adult Detention Special Revenue Fund

## Statement of Revenue, Expenditures and Changes in Fund Balance

## Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 900,000	\$ 900,000	\$ 1,087,079	\$ 187,079
Intergovernmental Income	300,000	300,000	275,000	(25,000)
Charges For Services	3,358,500	3,358,500	2,208,109	(1,150,391)
Licenses and Fees	35,100	35,100	37,314	2,214
Interest Income	-	-	-	-
Miscellaneous	1,000	1,000	863	(137)
<i>Total revenues</i>	<u>4,594,600</u>	<u>4,594,600</u>	<u>3,608,365</u>	<u>(986,235)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	4,485,932	4,482,632	3,976,713	505,919
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	288,382	291,682	215,979	75,703
<i>Total expenditures</i>	<u>4,774,314</u>	<u>4,774,314</u>	<u>4,192,692</u>	<u>581,622</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(179,714)</u>	<u>(179,714)</u>	<u>(584,327)</u>	<u>(404,613)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	179,714	179,714	-	(179,714)
Transfers In	-	-	450,000	450,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>179,714</u>	<u>179,714</u>	<u>450,000</u>	<u>270,286</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>(134,327)</u>	<u>(134,327)</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>314,686</u>	<u>314,686</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,359</u>	<u>\$ 180,359</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			254,854	
Adjustments to expenditures (liabilities)			(254,954)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (134,427)</u>	

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
McKinley County  
Fiduciary Funds  
Agency Funds  
Statement of Fiduciary Net Assets  
June 30, 2009

Exhibit D-1

<i>Assets</i>	
Cash	\$ 550,563
Taxes receivable	<u>1,370,447</u>
Total assets	<u><u>\$ 1,921,010</u></u>
<i>Liabilities</i>	
Due to schools	1,139,012
Due to municipalities	370,430
Due to other	<u>411,568</u>
Total liabilities	<u><u>\$ 1,921,010</u></u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 1. Summary of Significant Accounting Policies**

McKinley County is a political sub-division of the State of New Mexico established under the provisions of Section 4-5-1 of NMSA, 1978 compilation and regulated by the constitution of the State of New Mexico. The County operates under a commission-manager form of government and provides the following services as authorized by public law: public safety (sheriff, fire, emergency medical, etc.), roads, health and social services, recreation, sanitation, low rent housing assistance, planning and zoning, property assessment, tax collection and general administrative services.

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

*A. Financial Reporting Entity*

GASB Statement No. 14 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the County is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the County may, without the approval or consent of another government entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The County also has no *component units*, as defined by GASB Statement No. 14 and / or GASB Statement No. 39, as there are no other legally separate organizations for which the elected County Commissioners are financial accountable. There are no other primary governments with which the County Commissioners are financially accountable.

*B. Government-wide and fund financial statements*

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

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*.

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

*B. Government-wide and fund financial statements (continued)*

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the combining fund financial statements.

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

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

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

The County follows 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 to apply FASB statements and interpretations issued after November 30, 1989, unless those pronouncements conflict with GASB pronouncements.

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

Ad valorem taxes (property taxes), and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *agency funds* are custodial in nature (assets equal liabilities) and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity. The County has one agency fund that accounts for the property tax collections and disbursements.

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

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

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

The *General Fund* is the 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.

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).

The *Road Fund* is a special revenue fund used to account for the distribution of gasoline taxes and motor vehicle 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 *Adult Detention Fund* is a special revenue fund used to account for the fiscal operation and reporting of the Gallup McKinley Detention Center. The administration is handled by the local Jail Authority Board.

The *Capital Projects Fund* is a capital project fund used to account for gross receipts taxes (1/4%) designated for capital projects expenditures, authorized by Ordinance No. Aug-02-084.

The *Law Enforcement JDC Building Fund* is a capital project fund used to account for bond proceeds from the bond issue in 2009 designated for the construction of a Law Enforcement Complex and Juvenile Detention Center.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes, because elimination of these charges would distort the direct costs and program revenues reported in the Statement of Activities.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the County's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the County's general revenues. Program revenues are categorized as (a) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (b) program-specific operating grants, which includes revenues received from federal and state sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and other items not properly included among program revenues.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

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

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.

*D. Assets, Liabilities and Net Assets or Equity*

**Cash & Cash Equivalents:** 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.

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

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

**Receivables and Payables:** Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds or internal balances" (i.e., the current portion of interfund loans) or "advances to/from other funds or internal balances" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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

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

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

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

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

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

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

**Capital Assets:** Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (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. Computer software is included as a capital asset and recorded with equipment.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction.

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>
Infrastructure	20-30
Land improvements	10-20
Buildings & improvements	22-40
Vehicles & rolling stock	5-10
Machinery, equipment and other	5-10

**Deferred Revenues:** The County recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as deferred revenues. Amounts receivable from the property taxes levied for the current year that are not considered to be “available” under the current financial resources measurement focus are reported as deferred revenues in the governmental fund financial statements.

**Compensated Absences:** Qualified employees are entitled to earn annual leave according to a graduated leave schedule of ten days to twenty days per year, depending on length of service. Employees may accumulate up to 240 hours (thirty days) of annual leave and carry that leave forward from calendar year to calendar year. Upon termination, employees will be paid for up to 240 hours (thirty days) of accrued annual leave.

Qualified employees are entitled to earn sick leave at a rate of thirteen days per year. Sick leave can be carried over from year to year for an unlimited amount of hours. Upon termination, retiring employees will be paid for up to 520 hours (sixty five days) of accrued annual leave.

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 governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. 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**  
**MCKINLEY COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

*E. 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.

**Fund Equity:** Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

**Equity Classifications:** Equity is classified as net assets and displayed in three components:

- a. Net assets invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted Net Assets:  
Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$1,071,544 of restricted net assets.
- c. Unrestricted Net assets:  
All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The County’s policy is to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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

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

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

**NOTE 2. Stewardship, Compliance and Accountability**

*Budgetary Information*

Annual budgets of the County are prepared prior to June 1 and must be approved by resolution of the Board of County Commissioners, and submitted to the Department of Finance and Administration for State approval. Once the budget has been formally approved, any amendments must also be approved by the



**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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

*Budgetary Information (continued)*

County Commissioners and the Department of Finance and Administration. A separate budget is prepared for each fund. Line items within each budget may be over-expended; however, it is not legally permissible to over-expend any budget in total.

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

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

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

The County is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The accompanying Statements of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual presents comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2009 is presented.

**NOTE 3. Cash & Investments**

**Cash & Cash Equivalents**

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2009.

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

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

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

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

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 3. Cash & Investments (continued)**

According to the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$100,000 in aggregate and separate from the \$100,000 coverage for public unit demand deposits at the same institution. This coverage has increased to \$250,000 for time and savings deposits as well as demand deposits until December 31, 2013. Additionally, until December 31, 2009, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the County's deposits.

	Pinnacle Bank	1st Financial Credit Union	First Community Bank	Total
Total amounts of deposits*	\$ 12,969,563	\$ 99,349	\$ 2,502,736	\$ 15,571,648
FDIC or NCUSIF Coverage	<u>(250,000)</u>	<u>(99,349)</u>	<u>(250,000)</u>	<u>(599,349)</u>
Total uninsured public funds	<u>\$ 12,719,563</u>	<u>\$ —</u>	<u>\$ 2,252,736</u>	<u>\$ 14,972,299</u>
Collateral requirement (50% of uninsured public funds)	6,359,782	—	1,126,368	7,486,150
Pledged collateral	<u>6,359,782</u>	<u>—</u>	<u>2,486,011</u>	<u>8,845,793</u>
Over collateralized	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,359,643</u>	<u>\$ 1,359,643</u>

\* - Total amount of deposits per bank includes deposit accounts and certificates of deposit. Repurchase agreement balances are listed below.

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2009, \$14,972,299 of \$15,571,648 was exposed to custodial credit risk because it was uninsured and the collateral was held by the pledging bank's trust department, not in the County's name. All investments are cash or certificates of deposit whose fair market value approximates face value plus any accrued interest. The County had no investments that were highly sensitive to changes in interest rates. The County's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63 NMSA 1978)

NM State Statutes require collateral pledged for repurchase agreements in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the County for at least 102% of the amount on deposit with the institution.

The schedule listed below discloses the State of New Mexico, Office of the State Auditor's requirements on reporting the insured portion of the County's repurchase agreements.

	Pinnacle Bank
Repurchase agreements	
Total amount of deposits	\$ 28,254,874
FDIC coverage	<u>—</u>
Total uninsured public funds	<u>\$ 28,254,874</u>
Collateral requirement (102% of uninsured public funds)	\$ 28,819,971
Pledged collateral	<u>66,365,811</u>
Over collateralized	<u>\$ 37,545,840</u>

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**NOTE 3. Cash & Investments (continued)**

*Custodial Credit Risk – Repurchase Agreements.* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's \$28,254,874 investment in repurchase agreements was held by the investment's counterparty not in the name of the County. The County's policy related to investments is to comply with the state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). The carrying value of the County's repurchase agreements at June 30, 2009 was \$28,254,874.

The County utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts. Separate accounts also exist for Sheriff's Office confiscation related funds.

**Investments**

As of June 30, 2009 the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>less than 1</u>	<u>1 to 5</u>	<u>6-10</u>	<u>More than 10</u>
State Treasurer's Investment	(105,868)	(105,868)	—	—	—
Federal Farm	3,503,595	—	3,503,595	—	—
Federal Home Loan	9,913,420	—	8,929,783	983,637	—
Certificates of Deposit	<u>14,826,861</u>	<u>13,826,861</u>	<u>1,000,000</u>	<u>—</u>	<u>—</u>
Total	<u>28,138,008</u>	<u>13,720,993</u>	<u>13,433,378</u>	<u>983,637</u>	<u>—</u>

*Interest rate risk - Investments.* As a means of limiting its exposure to fair value losses arising from increasing interest rates, the County's investment requires structuring so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. The County invests operating funds in shorter-term securities, money market mutual funds or similar investment pools to limit the average maturity of the portfolio. The average weighted maturity of the entire portfolio shall be less than five years.

*Interest rate risk* is the risk that interest rate variations may adversely affect an investment's fair value. The prices of securities fluctuate with market interest rates and the securities held in a portfolio will decline if market interest rates rise. The portfolio's weighted average maturity (WAM) is a key determinant of the tolerance of a fund's investments to rising interest rates. At June 30, 2009, the County's investment of New MexiGROW LGIP had a value of \$(105,868) and a 50-day WAM.

*Credit risk - Investments.* The County's Investment Policy limits investments to those securities authorized by the laws of the State of New Mexico. As of June 30, 2009, the County's investments in Federal National Mortgage Association and Federal Home Loan Mortgage Corp were rated AAA by Moody's Investors Service and S&P. At June 30, 2009, the County's investment of New MexiGROW LGIP had a credit risk rating of AAAM.

*Concentration of Credit risk - Investments.* The County places no limit on the amount the County may invest in any one issuer. More than five percent of the County's investments are in Federal Home Loan, Federal National Mortgage Association, Federal Farm Association and Certificates of Deposit and Repurchase Agreements. These investments represent are 33%, 35%, 4% and 28% of the County's total investments.

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**NOTE 3. Cash & Investments (continued)**

The State Treasurer Local Government Investment Pool is not SEC Registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment funds in securities that are issued by the United States government or by its departments or agencies and are either backed by the full faith and credit of the United States government or are agencies sponsored by the United States government with ratings A to AAA by Moody's Investors Service and S&P. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares; at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the amounts of the fund were invested. Any unrealized gain or loss on the portfolio is distributed through the investment yield on distribution dates. The carrying amount of the portfolio approximates the fair value of all investments at June 30, 2009. The State of New Mexico is the regulatory oversight entity and participation in the pool is voluntary.

The New Mexico State Treasurer's Office invested a portion of the LGIP in The Reserve Primary Fund ("the Fund"), a money market fund, in fiscal years 2006, 2007, 2008 and 2009. On September 15, 2008, the balance of the LGIP's investment in the Fund was \$381.7 million. On September 16, 2008, The Reserve Primary Fund's net asset value fell below \$1.00 and holdings in the Fund were frozen. Since September 2008, The Reserve Primary Fund has returned approximately \$0.90 per share to shareholders. On February 26, 2009, The Reserve Primary Fund announced that it was withholding \$3.5 billion of the Fund's assets for anticipated and pending litigation against it, which amount could increase or decrease as the Fund evaluates information related to such litigation. As a result, the State Treasurer's Office cannot anticipate what the actual loss to the LGIP from The Reserve Primary Fund may be or when the actual loss may be realized. No actual loss has been realized to date. The total remaining Reserve Primary Fund position as of June 30, 2009, is \$39.5 million. The LGIP's remaining position in the Reserve Primary Fund is a non-performing asset.

The County removed all balances relating to the LGIP during the fiscal year. The County does not owe the state funds, however, the negative balance represents funds in litigation which will be reconciled if recovered through litigation procedures. The New Mexico State Treasurer's Office believes that The Reserve Primary Fund will ultimately end up disturbing between 98.38% and 98.77% of the balance that the LGIP had in The Reserve Primary Fund as of September 15, 2008. This means that of the remaining undistributed balance as of June 30, 2009, we expect the LGIP to recover between 83.84% and 87.78%. Uncertainty remains, however, as to the timing of the distributions.

**NOTE 4. Receivables**

Receivables as of June 30, 2009, are as follows:

	General Fund	Road Fund	Adult Detention Center	Capital Projects	Total Non-major Funds
Property Taxes	\$ 476,203	\$ —	\$ —	\$ —	\$ 51,667
Intergovernmental	—	155,000	50,000	—	717,940
Other	225,202	66,840	302,556	129,090	974,127
Net Receivables	<u>\$ 701,405</u>	<u>\$ 221,840</u>	<u>\$ 352,556</u>	<u>\$ 129,090</u>	<u>\$ 1,743,734</u>
	Total Governmental Funds	Fiduciary Funds			
Property Taxes	\$ 527,870	\$ 1,370,447			
Intergovernmental	922,940	—			
Other	1,697,815	—			
Net Receivables	<u>\$ 3,148,625</u>	<u>\$ 1,370,447</u>			

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax receivables are presented net of deferred revenues in the amount of \$1,248,746 in the fiduciary fund and \$459,733 of deferred revenue in the governmental funds.

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**NOTE 5. Interfund Receivables, Payables, and Transfers**

Operating transfers made to close out funds and to supplement other funding sources, were as follows:

<b>Governmental Activities:</b>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 432,918	\$ 2,348,700
Road Fund	2,000,000	—
Adult Detention	450,000	—
Nonmajor Governmental Funds	<u>2,945,681</u>	<u>3,479,899</u>
Total Governmental Activities	<u>\$ 5,828,599</u>	<u>\$ 5,828,599</u>

General Fund transfers included \$2,000,000 to the road fund for road projects; \$300,000 to the state grants capital projects fund for working capital; and \$48,700 to other funds for to supplement funding for grant projects. The Emergency Communication & Medical Fund transferred \$2,022, 540 to fund operations in the E911 Metro Dispatch Fund and EMS Fund. The Correction Fees Fund transferred \$450,000 which was budgeted in the Adult Detention Center Fund for prisoner care for the County's prisoners. The Rural Public Safety Fund made transfers totaling \$288,500 to the Narcotics Fund for K-9 Leases and the Sheriff's Grant Fund to fund operations. The Liquor Excise made transfers of \$175,000 to the JSACC Fund to fund operations of the Juvenile Substance/Alcohol Abuse Center. The Indigent Health Care Fund made transfers to the General Fund in the amount of \$102,072 as part of the allowance for administrative costs. Other Bonds/Loans made transfers to the General Fund to transfer remaining balances.

There were no interfund balances as of June 30, 2009.

**NOTE 6. Capital Assets**

A summary of capital assets and changes occurring during the year ended June 30, 2009 follows.

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2009</u>
<b>Capital Assets not being depreciated:</b>				
Land	\$ 3,661,666	\$ —	\$ —	\$ 3,661,666
Construction in Progress	—	4,352,288	—	4,352,288
	<u>3,661,666</u>	<u>4,352,288</u>	<u>—</u>	<u>8,013,954</u>
<b>Capital Assets being depreciated:</b>				
Infrastructure	27,766,383	—	—	27,766,383
Land improvements	3,864,323	—	—	3,864,323
Building & improvements	35,245,934	—	—	35,245,934
Vehicles & rolling stock	15,693,491	1,681,386	(356,003)	17,018,874
Machinery, equipment & other	<u>5,965,424</u>	<u>243,006</u>	<u>(103,668)</u>	<u>6,104,762</u>
	<u>88,535,555</u>	<u>1,924,392</u>	<u>(459,671)</u>	<u>90,000,276</u>
<b>Accumulated Depreciation:</b>				
Infrastructure	14,384,687	901,736	—	15,286,423
Land improvements	1,775,463	264,103	—	2,039,566
Building & improvements	10,156,893	779,824	—	10,936,717
Vehicles & rolling stock	11,032,288	803,109	(356,003)	11,479,394
Machinery, equipment & other	<u>3,639,384</u>	<u>486,885</u>	<u>(103,668)</u>	<u>4,022,601</u>
	<u>40,988,715</u>	<u>3,235,657</u>	<u>(459,671)</u>	<u>43,764,701</u>
<b>Net Capital Assets</b>	<u>\$ 51,208,506</u>	<u>\$ 3,041,023</u>	<u>\$ —</u>	<u>\$ 54,249,529</u>

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**NOTE 6. Capital Assets (continued)**

Depreciation expense for the year ended June 30, 2008 was charged to the following functions and funds:

Public Safety	\$ 1,240,308
Public Works	1,121,456
Health and Welfare	3,415
Culture and Recreation	55,864
General Government	<u>814,614</u>
Total depreciation expense: governmental activities	<u>\$ 3,235,657</u>

**NOTE 7. Long-term Debt**

During the year ended June 30, 2009, the following changes occurred in the liabilities reported in the government-wide statement of net assets:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Adjustments /</u> <u>Additions</u>	<u>Adjustments /</u> <u>Retirements</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$ 1,440,000	\$ —	\$ 705,000	\$ 735,000	\$ 735,000
Gross Receipts Revenue Bonds	13,625,000	10,350,000	1,075,000	22,900,000	1,005,000
Capital Leases	256,534	—	27,788	228,746	228,746
Landfill Closure Costs	248,000	—	30,000	218,000	30,000
Compensated Absences	<u>587,510</u>	<u>1,206,010</u>	<u>1,389,565</u>	<u>403,955</u>	<u>141,384</u>
Total Long-Term Debt	<u>\$ 16,157,044</u>	<u>\$ 11,556,010</u>	<u>\$ 3,227,353</u>	<u>\$ 24,485,701</u>	<u>\$ 2,140,130</u>

The annual requirements to amortize the Bonds as of June 30, 2009, including interest payments are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>		<u>Interest</u>		<u>Total Debt</u> <u>Service</u>
	<u>General</u> <u>Obligation</u>	<u>Revenue</u> <u>Bonds</u>	<u>General</u> <u>Obligation</u>	<u>Revenue</u> <u>Bonds</u>	
2010	\$ 735,000	\$ 1,005,000	\$ 10,106	\$ 1,026,893	\$ 2,776,999
2011	—	1,030,000	—	992,493	2,022,493
2012	—	1,080,000	—	952,893	2,032,893
2013	—	1,130,000	—	904,373	1,334,629
2014	—	1,170,000	—	860,073	1,334,629
2015-2019	—	6,220,000	—	3,536,620	9,756,620
2020-2024	—	6,270,000	—	3,014,754	8,297,452
Thereafter	<u>—</u>	<u>4,995,000</u>	<u>—</u>	<u>317,500</u>	<u>6,299,802</u>
	<u>\$ 735,000</u>	<u>\$22,900,000</u>	<u>\$ 10,106</u>	<u>\$ 11,288,098</u>	<u>\$ 34,933,204</u>

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

**General Obligation Bonds**

The County's General Obligation bond was issued for the purpose of refunding the County's 1995 General Obligation Bonds. These bonds are payable out of the General Obligation Bonds Debt Service Fund. Interest payments are due semi-annually on August 1 and February 1. Interest rates on the bond ranged from 1.30% to 2.75%. Principal payments in varying amounts are due annually on August 1 through 2009.

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

**Revenue Bonds**

The County has issued three Revenue Bonds as described below:

The County's 2003 Refunding Revenue bond was issued for the purpose of refunding the County's 1996 Revenue Bond. These bonds are payable out of the General Revenue Bonds Debt Service Fund. The County has pledged a portion of their Gross Receipts revenues for the purpose of paying this bond. Interest payments are due semi-annually on June 1 and December 1. Interest rates on the bond ranged from 1.20% to 4.00%. Principal payments in varying amounts are due annually on June 1 through 2016.

The County's 2003 Revenue bond was issued for the purpose of renovations to the County Courthouse complex. These bonds are payable out of the Courthouse Project Bonds Debt Service Fund. The County has pledged a portion of their Gross Receipts revenues for the purpose of paying this bond. Interest payments are due semi-annually on June 1 and December 1. Interest rates on the bond ranged from 2.50% to 5.00%. Principal payments in varying amounts are due annually on June 1 through 2023.

During the year ended June 30, 2009 the County issued the 2008 Gross Receipts Tax Improvement Revenue Bonds in the amount of \$10,350,000 for the purpose of building a Juvenile Detention Center and Law Enforcement Complex. These bonds are payable out of the Law Enforcement/Juvenile Detention Center Bond Debt Service Fund. The County has pledged a portion of their Gross Receipts revenues for the purpose of paying this bond. Interest payments are due semi-annually on June 1 and December 1. Interest rates on the bond ranged from 2.50% to 4.75%. Principal payments in varying amounts are due annually on June 1 through 2027.

**Capital Leases**

At June 30, 2009 the County had the following purchase contracts payable.

<u>Description</u>	<u>Date of Contract</u>	<u>Original Amount</u>	<u>Principal Balance June 30, 2009</u>
1. Caterpillar Finance Co. 140H Motor Graders 4.20367% interest	11/10/04	\$ 176,437	\$ 114,373
2. Caterpillar 140H Motor Graders 4.20367% interest	11/10/04	176,437	<u>114,373</u>
Total			<u>\$ 228,746</u>

The capital leases are paid by the Road fund and Infrastructure Gross Receipts fund.

The County leases motor graders under two capital leases. The economic substance of the leases is that the County is financing acquisition of the assets through the leases and, accordingly, they are recorded as County assets and liabilities. The obligations under capital leases have been recorded in the accompanying financial statements at the present value of future minimum lease payments, discounted at interest rates as stated in the individual contracts. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2009	228,746	798	229,544

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

**Landfill Closure and Post-Closure Care Costs**

State and Federal laws and regulations require that the county of McKinley place final covers on its landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty year after closure. The County of McKinley had landfill sites at Smith Lake and Gamerco, which were closed by June 30, 1997.

The estimated total cost of the landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfill were acquired as of June 30, 2004. An updated estimate (the third estimate) was performed in the prior year. Current year deletions were based off of actual costs from the Solid Waste Fund, the balance at June 30, 2009 is \$218,000.

**Compensated Absences**

Employees of the County are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2009, compensated absences decreased \$183,555 from the prior year accrual. Compensated absences liability is liquidated by several of the County's fund. See Note 1 for more details.

**NOTE 8. Risk Management**

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters.

McKinley County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. The County is not liable for more than the premiums paid.

**NOTE 9. 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:

- A. Deficit fund balance of individual funds. The JSAAC Grant Special Revenue Fund reported a deficit fund balance of \$2,216 at June 30, 2009.
- B. Excess of expenditures over appropriations.

Liquor Excise Tax		
General Government	\$	66,175
Courthouse Project Debt Service		
Debt Service		<u>78,557</u>
Total	\$	<u>144,732</u>



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**NOTE 10. PERA Pension Plan**

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

*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 McKinley County 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 years ending June 30, 2009, 2008 and 2007 were \$1,710,924, \$1,603,450, and \$1,478,302, respectively, which equal the amount of the required contributions for each fiscal year.

**NOTE 11. Post-Employment Benefits**

*Plan Description.* The Retiree Health Care Act (the "Act") (Chapter 10, Article 7C, NMSA, 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The purpose is to provide eligible retirees, their spouses, dependents, and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into Retiree Health Care Fund and by co-payments or out-of-pocket payments to eligible retirees. Monies flow to the Retiree Health Care Fund on pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers are institutions of higher education, school districts, or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties, which are affiliated under or covered by the Education Retirement Act, Public Employees Retirement Association (PERA), Volunteer Firefighters Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act. Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and who's eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf unless that person retires before the employer's NMRHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

*Funding Policy.* Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each employee contributes to the fund an employee contribution in an amount equal to .65 percent of the employee's salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRHCA effective date or is a former legislator. Participants may also enroll in optional plans of coverage. Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee, and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

*Annual Cost.* For the year ended June 30, 2009, the County remitted \$111,483 in employer contributions to the Retiree Health Care Authority. The County's annual cost for the preceding two years was \$103,655 and \$95,558.

The Retiree Health Care Authority issued a separate, publicly available audited financial report that includes post employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee, and retiree), and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd., NE, Suite 104, Albuquerque, NM 87107.

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**NOTE 12. Related Party**

David Dallago, a County Commissioner, is the owner of Dallago Corporation a plumbing company contracted with the County to provide plumbing services, which include labor, equipment, and materials. The company repairs County owned or occupied buildings as needed. The total expense amount for fiscal year 2009 year is \$217,928 for prior year invoices and non-contract or emergency work. For the year ended June 30, 2009, Dallago Corporation did not receive any contracts from the County, but was a sub-contractor of the winning bidders on the Juvenile Detention Center, the Magistrate Court, the Law Enforcement Building, and the Dialysis Center.

**NOTE 13. Commitments**

The County had various construction and purchase commitments totaling approximately \$10,299,701 as of June 30, 2009. The funding to cover the various commitments was bond and/or note proceeds, including bonds and grants.

**NOTE 14. Contingent Liabilities**

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries and natural disasters.

The County is a member and is insured through the New Mexico County Insurance Authority. The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The Authority acts as the common carrier for the State of New Mexico counties. The County pays an annual premium to the Authority based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. At June 30, 2009, there are multiple pending civil suites against the County. The maximum exposure of the County is \$100,000 to \$150,000 in the remaining cases.

*Contingent Debt Obligation*

McKinley County entered into a joint powers agreement with the Cities of Gallup and Grants, the Village of Milan and the County of Cibola, to form the Northwest New Mexico Regional Solid Waste Disposal Authority on November 1, 1996.

Ordinance Nov-02-091 was approved on December 12, 2002 by the County Commissioners to authorize the execution and delivery of loan agreement by and between the County, as well as other member entities, and New Mexico Finance Authority. The loan agreement called for the issuance of debt to consolidate and refund (or pay-off) prior loans. The amount of the obligation authorized by Ordinance Nov-02-091 was \$5,600,000.

This debt obligation is payable solely from the net revenues of the Northwest New Mexico Regional Solid Waste Disposal Authority, and if needed, Environmental Gross Receipts Tax (EGRT) Revenues from the aforementioned Cities, Counties, and Village, including McKinley County. Effective July 30, 2005, an agreement was entered into by the member entities to change the percentage of contribution of monthly EGRT collected from 25% to 50% for operating expenses and equipment replacement.

**NOTE 15. Federal and State Grants**

In the normal course of operations, the County receives grant funds from various federal and state agencies. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

**NOTE 16. Basis of Presentation of Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of McKinley County and is presented on the modified 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 the preparation of the governmental fund financial statements.

**NOTE 17 Subsequent Accounting Standard Pronouncements**

In November 2006, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations, which is effective for financial statements for periods beginning after December 15, 2007. This statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current and potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The County is analyzing the effect that this standard will have on its financial statements.

In May 2007, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 50, Pension Disclosures, which is effective for financial statements for periods beginning after June 15, 2007. This statement more closely aligns the financial reporting requirements for pensions with those for other post employment benefits. The County is analyzing the effect that this standard will have on its financial statements.

In June 2007, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, which is effective for financial statements for periods beginning after June 15, 2009. This statement requires that all intangible assets not specifically excluded by its scope provision be classified as capital assets. The County is analyzing the effect that this standard will have on its financial statements.

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**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

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## NONMAJOR GOVERNMENTAL FUNDS

**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.

**Environmental Gross Receipts Taxes** – To account for gross receipts tax imposed to fund environmental activities, mainly sanitary landfill closure and disposal of solid waste. Authority is local ordinance authorized by NMSA 1978 7-20E-17.

**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).

**Hazardous Material Support Services** – To account for funds transferred from the Fire Excise fund utilized for special equipment, uniforms and protective clothing required for hazardous materials handling & disposal. The fund was set up administratively.

**EMS** – To account for grants from the State of New Mexico Health and Environment Department to be utilized for capital outlay for fire personnel as paramedics. Funding is authorized by Section 24-10a-6, NMSA, 1978 Compilation.

**E911 Metro Dispatch** – To account for funds received from the State Funds for E-911 enhancement received from DFA and GRT. The funds are utilized for operational costs and capital outlay. The fund was set up administratively.

**Farm & Range** – To account for soil conservation and predator control activities within the County. Funding is provided by the Taylor Grazing Act. Expenditures may be made only for the purposes specified in the grant. Funding authorized by Section 6-11-6, NMSA, 1978 Compilation.

**Fire Protection Districts** – To account for revenues and expenditures of fire protection funds for the communities of Broadview, Pleasant Hill, and Field. Funding is provided by allotments from the New Mexico State Fire Marshall's Office. The funds were created under the authority of state statute (see Section 59A-93-5-8 and 59A-53-5, NMSA 1978 Compilation).

**Highway Beautification Grant** – To account for revenues and expenditures for the New Mexico Clean and Beautiful Project. This fund was created by authority of state statute (see Section 67-15-1 through 67-16-4 of NMSA).

**Law Enforcement Protection** – 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.

**Liquor Excise Tax** – A locally assessed 5% tax on retail liquor sales within McKinley County, which was adopted through Ordinance 09-92-048, for the purpose of funding alcohol treatment programs. Local ordinance authorized by Section 7-24-10, NMSA, 1978 Compilation.

**Emergency Communication & Medical** – To account for gross receipts tax set aside for emergency communications 911 Metro Dispatch, and emergency medical services (County Ordinance SEPT-02-089).

**Recreation** – To account for recreational Funds. Financing is provided by cigarette taxes and user charges. The fund was created by authority State Statute Section 7-12-15, NMSA 1978 Compilation.

**Community Health Improvement** – To account for State and/or local funds which are used to implement the County's Maternal and Child Health Plan as authorized by State Statute 24-1 B, NMSA 1978 Compilation.

**Senior Citizens Centers** – To account for the operations of the County's portion of two Senior Citizen Centers. The sales of ceramics, fees, and dues as well as Federal and State funding relating to Senior Citizens programs are accounted for in this fund. The operations are funded by McKinley County general funds. The fund was set up administratively.

**Indigent Health 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 Section 7-20E-9, NMSA 1978 Compilation and McKinley County Ordinance No. 07-88-032.9.

## NONMAJOR GOVERNMENTAL FUNDS

**Fire Excise Tax** – To account funds received pursuant to the County’s fire protection excise tax ordinance 07-93-053 as authorized by Sections 7-20E-15, NMSA, 1978. funds are used to supplement the County’s fire districts and cannot be used to pay salaries, compensation or remuneration to any employee of the State, County or independent fire district.

**Local DWI Program** – To account for various Federal, State and Local funds received by the County to implement the County’s DWI plans as authorized pursuant to State Statutes 43-3-15, NMSA 1978 Compilation

**Clerk Recording & Filing** – 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).

**Magistrate Court** – To account for funds received pursuant to a joint powers agreement with the State Administrative Office of Courts for Maintenance and Operation of the magistrate Court Building.

**Sheriff’s Grants** – Various law enforcement oriented grants utilized by the Sheriff’s Department to fund personnel & equipment. Fund was created administratively.

**Narcotic Drug Control & K-9 Drug Unit** – To account for various law enforcement agencies from forfeitures of seized drugs used to supplement other funding for uses involving drug interdiction and K-9 unit. Fund was created administratively.

**Federal Office of Justice – Law Enforcement Grant** – To account for federal grants award from the Office of Justice Program and the Federal Vest Program and others if awarded.

**Law Enforcement Seizures** – To account for monetary seizures made by the McKinley County Sheriff’s Dept. while cases are pending litigation and disposition.

**JSAAC Center** – To account for the expenditures related to the Juvenile Alcohol/Substance Abuse facility.

**Rural Public Safety** – To account for gross receipts taxes (1/16%) collected for public safety expenditures for the citizens to McKinley County. Authorized by Ordinance no. Aug-98-075.

**Telecommunications** – To account for fees and deposits collected for the purpose of erecting and making changes to telecommunications towers in the County. Established b the McKinley County Commission.

**CDBG/Gamerco Water System** – To account for the CDBG and local funds to do major repairs and improvements to the Gamerco water system.

**CDBG/Williams Acres Water System** – To account for the CDBG and local funds to do major repairs and improvements to the Williams Acres water system.

**Infrastructure Gross Receipts** – To account for monies received through infrastructure gross receipts tax for the purpose of monitoring County infrastructure and road equipment, July 2009.

**Courthouse Annex** – To account for the resources used for the remodel and construction of an annex to the courthouse of the County. Monies are provided by the County governments and bonds.

**State Projects** – To account for funding from state sources used for various projects.

**General Obligation Bonds** - To account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs of gross receipts tax bonds. The primary source of revenue is property taxes.

**General Revenue/Gross Receipts Tax Bonds/Notes** – To account for gross receipts tax for intercept payments to the New Mexico Finance Authority to retire outstanding notes.

**Other Bonds/ Loans** - To account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs of bonds/loans not associated with primary revenue sources.

## NONMAJOR GOVERNMENTAL FUNDS

**Courthouse Project** – To account for monies designated for the retirement of debt associated with the construction and renovation of the County Courthouse.

**Law Enforcement JDC Bonds** – To account for monies designated for the retirement of debt associated with the construction Law Enforcement & Juvenile Detention Center Bonds.

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2009

Statement A-1  
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	Special Revenue			
	Correction Fees	Environmental Gross Receipts	Property Valuation	Hazardous Material Support Services
<i>Assets</i>				
Cash and cash equivalents	\$ 931,263	\$ 774,973	\$ 376,174	\$ 81,152
Investments	-	1,500,000	-	-
Accounts and taxes receivable	41,844	35,643	-	-
Due from other governments	-	-	-	-
<i>Total assets</i>	\$ 973,107	\$ 2,310,616	\$ 376,174	\$ 81,152
<i>Liabilities</i>				
Accounts payable	\$ 46,916	\$ -	\$ 4,969	\$ -
Accrued payroll liabilities	15,348	-	3,328	-
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	62,264	-	8,297	-
<i>Fund balances</i>				
Unreserved				
Designated for subsequent year	-	-	-	-
Unreserved, undesignated	910,843	2,310,616	367,877	81,152
<i>Total fund balances</i>	910,843	2,310,616	367,877	81,152
<i>Total liabilities and fund balances</i>	\$ 973,107	\$ 2,310,616	\$ 376,174	\$ 81,152

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2009

Statement A-1  
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	Special Revenue			
	Emergency Medical Services	E911 Metro Dispatch	Farm & Range	Fire Protection Districts
<i>Assets</i>				
Cash and cash equivalents	\$ 135,173	\$ 401,321	\$ 646	\$ 1,503,751
Investments	-	-	-	-
Accounts and taxes receivable	-	-	-	-
Due from other governments	-	-	-	-
<i>Total assets</i>	\$ 135,173	\$ 401,321	\$ 646	\$ 1,503,751
<i>Liabilities</i>				
Accounts payable	\$ 16,646	\$ 70,573	\$ -	\$ 73,811
Accrued payroll liabilities	7,389	34,409	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	24,035	104,982	-	73,811
<i>Fund balances</i>				
Unreserved				
Designated for subsequent year	-	-	-	-
Unreserved, undesignated	111,138	296,339	646	1,429,940
<i>Total fund balances</i>	111,138	296,339	646	1,429,940
<i>Total liabilities and fund balances</i>	\$ 135,173	\$ 401,321	\$ 646	\$ 1,503,751

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2009

Statement A-1  
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	Special Revenue			
	Highway Beautification	Law Enforcement Protection	Liquor Excise Tax	Emergency Communication & Medical
<i>Assets</i>				
Cash and cash equivalents	\$ 9,955	\$ 1,902	\$ 369,630	\$ 689,781
Investments	-	-	-	1,070,341
Accounts and taxes receivable	-	-	91,316	279,037
Due from other governments	-	51,000	-	-
<i>Total assets</i>	\$ 9,955	\$ 52,902	\$ 460,946	\$ 2,039,159
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ 25,000	\$ -
Accrued payroll liabilities	267	-	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	267	-	25,000	-
<i>Fund balances</i>				
Unreserved				
Designated for subsequent year	-	-	-	-
Unreserved, undesignated	9,688	52,902	435,946	2,039,159
<i>Total fund balances</i>	9,688	52,902	435,946	2,039,159
<i>Total liabilities and fund balances</i>	\$ 9,955	\$ 52,902	\$ 460,946	\$ 2,039,159

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2009

Statement A-1  
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	Special Revenue			
	Recreation	Community Health Improvement	Senior Citizen Centers	Indigent Health Care Fund
<i>Assets</i>				
Cash and cash equivalents	\$ 4,545	\$ 19,962	\$ 19,244	\$ 1,729,336
Investments	-	-	-	-
Accounts and taxes receivable	-	-	-	139,592
Due from other governments	-	-	-	97,972
<i>Total assets</i>	\$ 4,545	\$ 19,962	\$ 19,244	\$ 1,966,900
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 102,664
Accrued payroll liabilities	-	-	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	-	-	-	102,664
<i>Fund balances</i>				
Unreserved				
Designated for subsequent year	-	-	-	-
Unreserved, undesignated	4,545	19,962	19,244	1,864,236
<i>Total fund balances</i>	4,545	19,962	19,244	1,864,236
<i>Total liabilities and fund balances</i>	\$ 4,545	\$ 19,962	\$ 19,244	\$ 1,966,900

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2009

Statement A-1  
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	Special Revenue			
	Fire Excise Tax	Local DWI Program	Clerk Recording & Filing	Magistrate Court
<i>Assets</i>				
Cash and cash equivalents	\$ 944,524	\$ 310,027	\$ 89,853	\$ 148,089
Investments	1,599,350	-	-	-
Accounts and taxes receivable	133,430	-	-	-
Due from other governments	-	79,993	-	-
<i>Total assets</i>	\$ 2,677,304	\$ 390,020	\$ 89,853	\$ 148,089
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 57,519	\$ -	\$ 2,242
Accrued payroll liabilities	-	16,986	-	605
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	-	74,505	-	2,847
<i>Fund balances</i>				
Unreserved				
Designated for subsequent year	-	-	-	-
Unreserved, undesignated	2,677,304	315,515	89,853	145,242
<i>Total fund balances</i>	2,677,304	315,515	89,853	145,242
<i>Total liabilities and fund balances</i>	\$ 2,677,304	\$ 390,020	\$ 89,853	\$ 148,089

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2009

Statement A-1  
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	Special Revenue			
	Sheriff's Grants	Narcotic Drug Control	Federal Office of Justice - Law Enforcement	Law Enforcement Seizures
<i>Assets</i>				
Cash and cash equivalents	\$ 46,255	\$ 53,468	\$ 141,849	\$ 7,959
Investments	-	-	-	-
Accounts and taxes receivable	-	-	-	-
Due from other governments	51,259	-	-	-
<i>Total assets</i>	\$ 97,514	\$ 53,468	\$ 141,849	\$ 7,959
<i>Liabilities</i>				
Accounts payable	\$ 17,683	\$ -	\$ -	\$ -
Accrued payroll liabilities	8,357	-	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	26,040	-	-	-
<i>Fund balances</i>				
Unreserved				
Designated for subsequent year	-	-	-	-
Unreserved, undesignated	71,474	53,468	141,849	7,959
<i>Total fund balances</i>	71,474	53,468	141,849	7,959
<i>Total liabilities and fund balances</i>	\$ 97,514	\$ 53,468	\$ 141,849	\$ 7,959

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2009

Statement A-1  
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	Special Revenue		
	JSAAC Grant	Rural Public Safety	Telecom- munications
<i>Assets</i>			
Cash and cash equivalents	\$ 21,720	\$ 814,976	\$ 50,742
Investments	-	1,500,000	-
Accounts and taxes receivable	-	69,796	-
Due from other governments	-	-	-
<i>Total assets</i>	\$ 21,720	\$ 2,384,772	\$ 50,742
<i>Liabilities</i>			
Accounts payable	\$ 17,044	\$ -	\$ -
Accrued payroll liabilities	6,892	-	-
Deferred revenue	-	-	-
<i>Total liabilities</i>	23,936	-	-
<i>Fund balances</i>			
Unreserved			
Designated for subsequent year	-	-	-
Unreserved, undesignated	(2,216)	2,384,772	50,742
<i>Total fund balances</i>	(2,216)	2,384,772	50,742
<i>Total liabilities and fund balances</i>	\$ 21,720	\$ 2,384,772	\$ 50,742

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2009

Statement A-1  
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	Capital Project			
	CDBG / Gamarco Water System	CDBG / Williams Acres Water System	Infrastructure Gross Receipts	Courthouse Annex
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ 250	\$ 301,485	\$ 390,103
Investments	-	-	1,000,000	18,696
Accounts and taxes receivable	-	-	33,358	-
Due from other governments	-	-	-	-
<i>Total assets</i>	\$ -	\$ 250	\$ 1,334,843	\$ 408,799
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Deferred revenue	-	-	-	-
<i>Total liabilities</i>	-	-	-	-
<i>Fund balances</i>				
Unreserved				
Designated for subsequent year	-	-	-	-
Unreserved, undesignated	-	250	1,334,843	408,799
<i>Total fund balances</i>	-	250	1,334,843	408,799
<i>Total liabilities and fund balances</i>	\$ -	\$ 250	\$ 1,334,843	\$ 408,799

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2009

Statement A-1  
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	<u>Capital Project</u>	<u>Debt Service</u>	
	<u>State Projects</u>	<u>General Obligation Bonds</u>	<u>General Revenue Bonds</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 235,764	\$ 840,291	\$ 199,007
Investments	-	-	-
Accounts and taxes receivable	-	51,667	-
Due from other governments	437,716	-	-
<i>Total assets</i>	<u>\$ 673,480</u>	<u>\$ 891,958</u>	<u>\$ 199,007</u>
<i>Liabilities</i>			
Accounts payable	\$ 315,827	\$ -	\$ -
Accrued payroll liabilities	-	-	-
Deferred revenue	-	45,232	-
<i>Total liabilities</i>	<u>315,827</u>	<u>45,232</u>	<u>-</u>
<i>Fund balances</i>			
Unreserved			
Designated for subsequent year	-	-	-
Unreserved, undesignated	357,653	846,726	199,007
<i>Total fund balances</i>	<u>357,653</u>	<u>846,726</u>	<u>199,007</u>
<i>Total liabilities and fund balances</i>	<u>\$ 673,480</u>	<u>\$ 891,958</u>	<u>\$ 199,007</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2009

Statement A-1  
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	Debt Service			Total Nonmajor Governmental Funds
	Other Bonds/Loans	Courthouse Project	Law Enforcement JDC Bonds	
<i>Assets</i>				
Cash and cash equivalents	\$ 468	\$ 697,270	\$ 66,391	\$ 12,409,299
Investments	-	-	-	6,688,387
Accounts and taxes receivable	-	100,000	50,111	1,025,794
Due from other governments	-	-	-	717,940
<i>Total assets</i>	\$ 468	\$ 797,270	\$ 116,502	\$ 20,841,420
<i>Liabilities</i>				
Accounts payable	\$ -	\$ -	\$ -	\$ 750,894
Accrued payroll liabilities	-	-	-	93,581
Deferred revenue	-	-	-	45,232
<i>Total liabilities</i>	-	-	-	889,707
<i>Fund balances</i>				
Unreserved				
Designated for subsequent year	-	-	-	-
Unreserved, undesignated	468	797,270	116,502	19,951,713
<i>Total fund balances</i>	468	797,270	116,502	19,951,713
<i>Total liabilities and fund balances</i>	\$ 468	\$ 797,270	\$ 116,502	\$ 20,841,420

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**McKinley County**  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
June 30, 2009

	Special Revenue			
	Correction Fees	Environmental Gross Receipts	Property Valuation	Hazardous Material Support Services
<i>Revenues:</i>				
Taxes	\$ 507,735	\$ 767,185	\$ -	\$ -
Federal Grants	-	-	-	-
State & Local Grants	-	-	-	15,000
Charges for Services	548,007	-	-	-
Licenses and Fees	186,358	-	197,612	-
Interest Income	-	-	-	-
Miscellaneous	2,313	-	500	-
<i>Total revenues</i>	1,244,413	767,185	198,112	15,000
<i>Expenditures:</i>				
Current:				
General Government	-	-	163,617	-
Public Safety	785,984	-	-	6,972
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	487,407	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	785,984	487,407	163,617	6,972
<i>Excess (deficiency) of revenues over expenditures</i>	458,429	279,778	34,495	8,028
<i>Other financing sources (uses)</i>				
Transfers In	-	-	-	25,000
Transfers Out	(450,000)	-	-	-
<i>Total other financing sources (uses)</i>	(450,000)	-	-	25,000
<i>Net change in fund balances</i>	8,429	279,778	34,495	33,028
<i>Fund balances - beginning of year</i>	902,414	2,030,838	333,382	48,124
<i>Fund balances - end of year</i>	\$ 910,843	\$ 2,310,616	\$ 367,877	\$ 81,152

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**McKinley County**  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
June 30, 2009

	Special Revenue			
	Emergency Medical Services	E911 Metro Dispatch	Farm & Range	Fire Protection Districts
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants	-	-	-	-
State & Local Grants	191,305	11,566	-	1,119,116
Charges for Services	115,769	-	-	-
Licenses and Fees	-	-	13,373	-
Interest Income	-	-	-	-
Miscellaneous	1,000	176	-	6,871
<i>Total revenues</i>	<u>308,074</u>	<u>11,742</u>	<u>13,373</u>	<u>1,125,987</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	717,167	1,591,207	-	819,760
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	19,500	-
Capital Outlay	25,000	50,770	-	400,088
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>742,167</u>	<u>1,641,977</u>	<u>19,500</u>	<u>1,219,848</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(434,093)</u>	<u>(1,630,235)</u>	<u>(6,127)</u>	<u>(93,861)</u>
<i>Other financing sources (uses)</i>				
Transfers In	307,700	1,689,839	3,000	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>307,700</u>	<u>1,689,839</u>	<u>3,000</u>	<u>-</u>
<i>Net change in fund balances</i>	(126,393)	59,604	(3,127)	(93,861)
<i>Fund balances - beginning of year</i>	237,531	236,735	3,773	1,523,801
<i>Fund balances - end of year</i>	<u>\$ 111,138</u>	<u>\$ 296,339</u>	<u>\$ 646</u>	<u>\$ 1,429,940</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**McKinley County**  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
June 30, 2009

	Special Revenue			
	Highway Beautification	Law Enforcement Protection	Liquor Excise Tax	Emergency Communication & Medical
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ 1,161,115	\$ 3,386,998
Federal Grants	-	-	-	-
State & Local Grants	3,600	103,200	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	300
<i>Total revenues</i>	<u>3,600</u>	<u>103,200</u>	<u>1,161,115</u>	<u>3,387,298</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	892,775	-
Public Safety	-	52,753	-	83,846
Public Works	4,894	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	211,182
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,894</u>	<u>52,753</u>	<u>892,775</u>	<u>295,028</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,294)</u>	<u>50,447</u>	<u>268,340</u>	<u>3,092,270</u>
<i>Other financing sources (uses)</i>				
Transfers In	3,700	-	-	-
Transfers Out	-	(3,000)	(175,000)	(2,022,540)
<i>Total other financing sources (uses)</i>	<u>3,700</u>	<u>(3,000)</u>	<u>(175,000)</u>	<u>(2,022,540)</u>
<i>Net change in fund balances</i>	2,406	47,447	93,340	1,069,730
<i>Fund balances - beginning of year</i>	7,282	5,455	342,606	969,429
<i>Fund balances - end of year</i>	<u>\$ 9,688</u>	<u>\$ 52,902</u>	<u>\$ 435,946</u>	<u>\$ 2,039,159</u>

The accompanying notes are an integral part of these financial statements



**STATE OF NEW MEXICO**  
**McKinley County**  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
June 30, 2009

	Special Revenue			
	Recreation	Community Health Improvement	Senior Citizen Centers	Indigent Health Care Fund
<i>Revenues:</i>				
Taxes	\$ 3,475	\$ -	\$ -	\$ 3,789,249
Federal Grants	-	-	-	-
State & Local Grants	-	66,210	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	2,840
Miscellaneous	-	-	-	2,966
<i>Total revenues</i>	<u>3,475</u>	<u>66,210</u>	<u>-</u>	<u>3,795,055</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	3,654	-	-	-
Health and Welfare	-	71,249	32,428	3,114,677
Capital Outlay	-	-	4,026	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>3,654</u>	<u>71,249</u>	<u>36,454</u>	<u>3,114,677</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(179)</u>	<u>(5,039)</u>	<u>(36,454)</u>	<u>680,378</u>
<i>Other financing sources (uses)</i>				
Transfers In	-	-	42,000	-
Transfers Out	-	-	-	(102,072)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>42,000</u>	<u>(102,072)</u>
<i>Net change in fund balances</i>	(179)	(5,039)	5,546	578,306
<i>Fund balances - beginning of year</i>	4,724	25,001	13,698	1,285,930
<i>Fund balances - end of year</i>	<u>\$ 4,545</u>	<u>\$ 19,962</u>	<u>\$ 19,244</u>	<u>\$ 1,864,236</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**McKinley County**  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
June 30, 2009

	Special Revenue			
	Fire Excise Tax	Local DWI Program	Clerk Recording & Filing	Magistrate Court
<i>Revenues:</i>				
Taxes	\$ 1,536,045	\$ -	\$ -	\$ -
Federal Grants	-	-	-	-
State & Local Grants	-	1,047,733	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	10,995	15,576	-
Interest Income	-	-	-	-
Miscellaneous	-	155,693	-	128,600
<i>Total revenues</i>	1,536,045	1,214,421	15,576	128,600
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	15,022	-
Public Safety	107,617	1,185,215	-	77,705
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	781,160	-	-	-
<i>Debt Service:</i>				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	888,777	1,185,215	15,022	77,705
<i>Excess (deficiency) of revenues over expenditures</i>	647,268	29,206	554	50,895
<i>Other financing sources (uses)</i>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	-	-	-	-
<i>Net change in fund balances</i>	647,268	29,206	554	50,895
<i>Fund balances - beginning of year</i>	2,030,036	286,309	89,299	94,347
<i>Fund balances - end of year</i>	\$ 2,677,304	\$ 315,515	\$ 89,853	\$ 145,242

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**McKinley County**  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
June 30, 2009

	Special Revenue			
	Sheriff's Grants	Narcotic Drug Control	Federal Office of Justice - Law Enforcement	Law Enforcement Seizures
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Federal Grants	202,396	-	50,180	-
State & Local Grants	340,183	16,396	-	-
Charges for Services	-	-	-	-
Licenses and Fees	-	-	-	2,114
Interest Income	-	-	-	-
Miscellaneous	-	500	-	-
<i>Total revenues</i>	<u>542,579</u>	<u>16,896</u>	<u>50,180</u>	<u>2,114</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	588,532	51,295	12,964	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>588,532</u>	<u>51,295</u>	<u>12,964</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(45,953)</u>	<u>(34,399)</u>	<u>37,216</u>	<u>2,114</u>
<i>Other financing sources (uses)</i>				
Transfers In	100,000	52,000	103,000	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>100,000</u>	<u>52,000</u>	<u>103,000</u>	<u>-</u>
<i>Net change in fund balances</i>	54,047	17,601	140,216	2,114
<i>Fund balances - beginning of year</i>	17,427	35,867	1,633	5,845
<i>Fund balances - end of year</i>	<u>\$ 71,474</u>	<u>\$ 53,468</u>	<u>\$ 141,849</u>	<u>\$ 7,959</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**McKinley County**  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
June 30, 2009

	Special Revenue		
	JSAAC Grant	Rural Public Safety	Telecom- munications
<i>Revenues:</i>			
Taxes	\$ -	\$ 847,957	\$ -
Federal Grants	-	-	-
State & Local Grants	145,764	-	-
Charges for Services	-	-	-
Licenses and Fees	-	-	-
Interest Income	-	-	-
Miscellaneous	-	-	39,257
<i>Total revenues</i>	<u>145,764</u>	<u>847,957</u>	<u>39,257</u>
<i>Expenditures:</i>			
Current:			
General Government	-	-	-
Public Safety	457,940	16,137	-
Public Works	-	-	21,913
Culture and Recreation	-	-	-
Health and Welfare	-	-	-
Capital Outlay	33,980	396,566	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
<i>Total expenditures</i>	<u>491,920</u>	<u>412,703</u>	<u>21,913</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(346,156)</u>	<u>435,254</u>	<u>17,344</u>
<i>Other financing sources (uses)</i>			
Transfers In	175,000	-	-
Transfers Out	-	(288,500)	-
<i>Total other financing sources (uses)</i>	<u>175,000</u>	<u>(288,500)</u>	<u>-</u>
<i>Net change in fund balances</i>	(171,156)	146,754	17,344
<i>Fund balances - beginning of year</i>	168,940	2,238,018	33,398
<i>Fund balances - end of year</i>	<u>\$ (2,216)</u>	<u>\$ 2,384,772</u>	<u>\$ 50,742</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**McKinley County**  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
June 30, 2009

	Capital Project				
	CDBG / Gamarco Water System	CDBG / Williams Acres Water System	Infrastructure Gross Receipts	Courthouse Annex	State Projects
<i>Revenues:</i>					
Taxes	\$ -	\$ -	\$ 558,593	\$ -	\$ -
Federal Grants	-	-	-	-	-
State & Local Grants	-	-	-	-	2,450,041
Charges for Services	-	-	-	-	-
Licenses and Fees	-	-	-	-	-
Interest Income	-	-	-	-	-
Miscellaneous	-	-	-	178,712	138,882
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>558,593</u>	<u>178,712</u>	<u>2,588,923</u>
<i>Expenditures:</i>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	153,431	127,896	1,551,812
Culture and Recreation	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Capital Outlay	-	-	19,408	84,278	1,507,413
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>172,839</u>	<u>212,174</u>	<u>3,059,225</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>385,754</u>	<u>(33,462)</u>	<u>(470,302)</u>
<i>Other financing sources (uses)</i>					
Transfers In	-	250	-	-	300,000
Transfers Out	(250)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(250)</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>300,000</u>
<i>Net change in fund balances</i>	(250)	250	385,754	(33,462)	(170,302)
<i>Fund balances - beginning of year</i>	250	-	949,089	442,261	527,955
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 1,334,843</u>	<u>\$ 408,799</u>	<u>\$ 357,653</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**McKinley County**  
Nonmajor Governmental Funds  
Reconciling Statement of Revenues, Expenditures and Changes in Fund Balances  
June 30, 2009

	General Obligation Bonds	General Revenue Bonds
<i>Revenues:</i>		
Taxes	\$ 566,602	\$ 69,000
Federal Grants	-	-
State & Local Grants	-	-
Charges for Services	-	-
Licenses and Fees	-	-
Interest Income	-	-
Miscellaneous	-	-
<i>Total revenues</i>	566,602	69,000
<i>Expenditures:</i>		
Current:		
General Government	-	-
Public Safety	-	-
Public Works	-	-
Culture and Recreation	-	-
Health and Welfare	-	-
Capital Outlay	-	-
Debt Service:		
Principal	705,000	95,000
Interest	29,025	33,985
<i>Total expenditures</i>	734,025	128,985
<i>Excess (deficiency) of revenues over expenditures</i>	(167,423)	(59,985)
<i>Other financing sources (uses)</i>		
Transfers In	-	-
Transfers Out	-	-
<i>Total other financing sources (uses)</i>	-	-
<i>Net change in fund balances</i>	(167,423)	(59,985)
<i>Fund balances - beginning of year</i>	1,014,149	258,992
<i>Fund balances - end of year</i>	\$ 846,726	\$ 199,007

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**McKinley County**  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
June 30, 2009

	Debt Service			Total Nonmajor Governmental Funds
	Other Bonds/Loans	Courthouse Project	Law Enforcement JDC Bonds	
<i>Revenues:</i>				
Taxes	\$ -	\$ 1,297,800	\$ 818,761	\$ 15,310,515
Federal Grants	-	-	-	252,576
State & Local Grants	-	-	-	5,510,114
Charges for Services	-	-	-	663,776
Licenses and Fees	-	-	-	426,028
Interest Income	467	-	-	3,307
Miscellaneous	-	-	-	655,770
<i>Total revenues</i>	467	1,297,800	818,761	22,822,086
<i>Expenditures:</i>				
Current:				
General Government	9,550	-	-	1,080,964
Public Safety	-	-	-	6,555,094
Public Works	-	-	-	1,859,946
Culture and Recreation	-	-	-	3,654
Health and Welfare	-	-	-	3,725,261
Capital Outlay	-	-	-	3,513,871
Debt Service:				
Principal	-	630,000	350,000	1,780,000
Interest	-	568,104	352,259	983,373
<i>Total expenditures</i>	9,550	1,198,104	702,259	19,502,163
<i>Excess (deficiency) of revenues over expenditures</i>	(9,083)	99,696	116,502	3,319,923
<i>Other financing sources (uses)</i>				
Transfers In	144,192	-	-	2,945,681
Transfers Out	(438,537)	-	-	(3,479,899)
<i>Total other financing sources (uses)</i>	(294,345)	-	-	(534,218)
<i>Net change in fund balances</i>	(303,428)	99,696	116,502	2,785,705
<i>Fund balances - beginning of year</i>	303,896	697,574	-	17,166,008
<i>Fund balances - end of year</i>	\$ 468	\$ 797,270	\$ 116,502	\$ 19,951,713

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-1

McKinley County

Correction Fees Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ 400,000	\$ 400,000	\$ 465,891	\$ 65,891
Intergovernmental Income	118,000	118,000	-	(118,000)
Charges For Services	550,000	550,000	548,007	(1,993)
Licenses and Fees	186,000	186,000	186,358	358
Interest Income	-	-	-	-
Miscellaneous	800	800	2,313	1,513
<i>Total revenues</i>	<u>1,254,800</u>	<u>1,254,800</u>	<u>1,202,569</u>	<u>(52,231)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	990,359	1,028,359	734,710	293,649
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	125,000	87,000	-	87,000
<i>Total expenditures</i>	<u>1,115,359</u>	<u>1,115,359</u>	<u>734,710</u>	<u>380,649</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>139,441</u>	<u>139,441</u>	<u>467,859</u>	<u>328,418</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(139,441)	(139,441)	-	139,441
Transfers In	-	-	-	-
Transfers Out	-	-	(450,000)	(450,000)
<i>Total other financing sources (uses)</i>	<u>(139,441)</u>	<u>(139,441)</u>	<u>(450,000)</u>	<u>(310,559)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	17,859	17,859
<i>Fund Balance - Beginning of Year</i>	-	-	913,404	913,404
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 931,263</u>	<u>\$ 931,263</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			41,844	
Adjustments to expenditures (liabilities)			(51,274)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 8,429</u>	

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO

Statement B-2

McKinley County  
 Environmental Gross Receipts Special Revenue Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 510,000	\$ 510,000	\$ 731,542	\$ 221,542
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>510,000</u>	<u>510,000</u>	<u>731,542</u>	<u>221,542</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	580,760	708,605	487,407	221,198
Capital Outlay	100,000	100,000	-	100,000
<i>Total expenditures</i>	<u>680,760</u>	<u>808,605</u>	<u>487,407</u>	<u>321,198</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(170,760)</u>	<u>(298,605)</u>	<u>244,135</u>	<u>542,740</u>
<i>Other financing sources (uses)</i>				
Designated Cash	170,760	298,605	-	(298,605)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>170,760</u>	<u>298,605</u>	<u>-</u>	<u>(298,605)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	244,135	244,135
<i>Fund Balance - Beginning of Year</i>	-	-	2,030,838	2,030,838
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,274,973</u>	<u>\$ 2,274,973</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			35,643	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 279,778</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-3

McKinley County  
 Property Valuation Special Revenue Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	182,000	182,000	197,612	15,612
Interest Income	-	-	-	-
Miscellaneous	-	-	500	500
<i>Total revenues</i>	<u>182,000</u>	<u>182,000</u>	<u>198,112</u>	<u>16,112</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	224,663	224,663	155,320	69,343
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	17,600	17,600	-	17,600
<i>Total expenditures</i>	<u>242,263</u>	<u>242,263</u>	<u>155,320</u>	<u>86,943</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(60,263)</u>	<u>(60,263)</u>	<u>42,792</u>	<u>103,055</u>
<i>Other financing sources (uses)</i>				
Designated Cash	60,263	60,263	-	(60,263)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>60,263</u>	<u>60,263</u>	<u>-</u>	<u>(60,263)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	42,792	42,792
<i>Fund Balance - Beginning of Year</i>	-	-	333,382	333,382
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 376,174</u>	<u>\$ 376,174</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(8,297)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 34,495</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-4

McKinley County

Hazardous Material Support Services Special Revenue Fund  
Statement of Revenue, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	15,000	15,000	30,000	15,000
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>30,000</u>	<u>15,000</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	40,300	40,300	6,972	33,328
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>40,300</u>	<u>40,300</u>	<u>6,972</u>	<u>33,328</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(25,300)</u>	<u>(25,300)</u>	<u>23,028</u>	<u>48,328</u>
<i>Other financing sources (uses)</i>				
Designated Cash	25,300	25,300	-	(25,300)
Transfers In	-	-	25,000	25,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>25,300</u>	<u>25,300</u>	<u>25,000</u>	<u>(300)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	48,028	48,028
<i>Fund Balance - Beginning of Year</i>	-	-	33,124	33,124
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,152</u>	<u>\$ 81,152</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			(15,000)	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 33,028</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-5

McKinley County  
 Emergency Medical Services Special Revenue Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	196,863	191,305	191,305	-
Charges For Services	71,000	71,000	115,769	44,769
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	500	500	1,000	500
<i>Total revenues</i>	<u>268,363</u>	<u>262,805</u>	<u>308,074</u>	<u>45,269</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	906,685	901,127	698,192	202,935
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	40,000	40,000	25,000	15,000
<i>Total expenditures</i>	<u>946,685</u>	<u>941,127</u>	<u>723,192</u>	<u>217,935</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(678,322)</u>	<u>(678,322)</u>	<u>(415,118)</u>	<u>263,204</u>
<i>Other financing sources (uses)</i>				
Designated Cash	678,322	678,322	-	(678,322)
Transfers In	-	-	307,700	307,700
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>678,322</u>	<u>678,322</u>	<u>307,700</u>	<u>(370,622)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(107,418)	(107,418)
<i>Fund Balance - Beginning of Year</i>	-	-	242,591	242,591
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,173</u>	<u>\$ 135,173</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(18,975)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (126,393)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-6

McKinley County  
 E911 Metro Dispatch Special Revenue Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	59,120	59,120	11,566	(47,554)
Charges For Services	-	-	-	-
Licenses and Fees	1,500	1,500	-	(1,500)
Interest Income	-	-	-	-
Miscellaneous	-	-	176	176
<i>Total revenues</i>	<u>60,620</u>	<u>60,620</u>	<u>11,742</u>	<u>(48,878)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	1,911,161	1,911,161	1,584,975	326,186
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	141,000	141,000	50,770	90,230
<i>Total expenditures</i>	<u>2,052,161</u>	<u>2,052,161</u>	<u>1,635,745</u>	<u>416,416</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,991,541)</u>	<u>(1,991,541)</u>	<u>(1,624,003)</u>	<u>367,538</u>
<i>Other financing sources (uses)</i>				
Designated Cash	1,991,541	1,991,541	-	(1,991,541)
Transfers In	-	-	1,689,839	1,689,839
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,991,541</u>	<u>1,991,541</u>	<u>1,689,839</u>	<u>(301,702)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	65,836	65,836
<i>Fund Balance - Beginning of Year</i>	-	-	335,485	335,485
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 401,321</u>	<u>\$ 401,321</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(6,232)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 59,604</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-7

McKinley County  
Farm & Range Special Revenue Fund  
Statement of Revenue, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	13,500	13,500	13,373	(127)
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13,500</u>	<u>13,500</u>	<u>13,373</u>	<u>(127)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	20,000	20,000	19,500	500
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>19,500</u>	<u>500</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,500)</u>	<u>(6,500)</u>	<u>(6,127)</u>	<u>373</u>
<i>Other financing sources (uses)</i>				
Designated Cash	6,500	6,500	-	(6,500)
Transfers In	-	-	3,000	3,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,500</u>	<u>6,500</u>	<u>3,000</u>	<u>(3,500)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(3,127)	(3,127)
<i>Fund Balance - Beginning of Year</i>	-	-	3,773	3,773
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 646</u>	<u>\$ 646</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (3,127)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-8

McKinley County  
 Fire Protection Districts Special Revenue Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	1,142,484	1,162,484	1,119,116	(43,368)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	6,871	6,871
<b>Total revenues</b>	<b>1,142,484</b>	<b>1,162,484</b>	<b>1,125,987</b>	<b>(36,497)</b>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	1,525,076	1,545,076	745,949	799,127
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	473,391	473,391	400,088	73,303
<b>Total expenditures</b>	<b>1,998,467</b>	<b>2,018,467</b>	<b>1,146,037</b>	<b>872,430</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>(855,983)</b>	<b>(855,983)</b>	<b>(20,050)</b>	<b>835,933</b>
<i>Other financing sources (uses)</i>				
Designated Cash	855,983	855,983	-	(855,983)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>855,983</b>	<b>855,983</b>	<b>-</b>	<b>(855,983)</b>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(20,050)	(20,050)
<i>Fund Balance - Beginning of Year</i>	-	-	1,523,801	1,523,801
<i>Fund Balance - End of Year</i>	\$ -	\$ -	\$ 1,503,751	\$ 1,503,751
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(73,811)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			\$ (93,861)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-9

McKinley County  
 Highway Beautification Special Revenue Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	4,000	4,000	3,600	(400)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>4,000</u>	<u>4,000</u>	<u>3,600</u>	<u>(400)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	9,223	9,223	5,001	4,222
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>9,223</u>	<u>9,223</u>	<u>5,001</u>	<u>4,222</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(5,223)</u>	<u>(5,223)</u>	<u>(1,401)</u>	<u>3,822</u>
<i>Other financing sources (uses)</i>				
Designated Cash	5,223	5,223	-	(5,223)
Transfers In	-	-	3,700	3,700
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,223</u>	<u>5,223</u>	<u>3,700</u>	<u>(1,523)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	2,299	2,299
<i>Fund Balance - Beginning of Year</i>	-	-	7,656	7,656
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,955</u>	<u>\$ 9,955</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			107	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 2,406</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-10

McKinley County  
Law Enforcement Protection Special Revenue Fund  
Statement of Revenue, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	52,200	52,200	52,200	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>52,200</u>	<u>52,200</u>	<u>52,200</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	53,564	53,564	52,753	811
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>53,564</u>	<u>53,564</u>	<u>52,753</u>	<u>811</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,364)</u>	<u>(1,364)</u>	<u>(553)</u>	<u>811</u>
<i>Other financing sources (uses)</i>				
Designated Cash	1,364	1,364	-	(1,364)
Transfers In	-	-	-	-
Transfers Out	-	-	(3,000)	(3,000)
<i>Total other financing sources (uses)</i>	<u>1,364</u>	<u>1,364</u>	<u>(3,000)</u>	<u>(4,364)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(3,553)	(3,553)
<i>Fund Balance - Beginning of Year</i>	-	-	5,455	5,455
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,902</u>	<u>\$ 1,902</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			51,000	
Adjustments to expenditures (liabilities)			<u>-</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 47,447</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

Statement B-11

McKinley County  
Liquor Excise Tax Special Revenue Fund  
Statement of Revenue, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 950,000	\$ 950,000	\$ 1,069,799	\$ 119,799
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>950,000</u>	<u>950,000</u>	<u>1,069,799</u>	<u>119,799</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	835,100	835,100	901,275	(66,175)
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>835,100</u>	<u>835,100</u>	<u>901,275</u>	<u>(66,175)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>114,900</u>	<u>114,900</u>	<u>168,524</u>	<u>53,624</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(114,900)	(114,900)	-	114,900
Transfers In	-	-	-	-
Transfers Out	-	-	(175,000)	(175,000)
<i>Total other financing sources (uses)</i>	<u>(114,900)</u>	<u>(114,900)</u>	<u>(175,000)</u>	<u>(60,100)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(6,476)	(6,476)
<i>Fund Balance - Beginning of Year</i>	-	-	376,106	376,106
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 369,630</u>	<u>\$ 369,630</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			91,316	
Adjustments to expenditures (liabilities)			<u>8,500</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 93,340</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-12

McKinley County  
 Emergency Communication & Medical Special Revenue Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 2,500,000	\$ 2,500,000	\$ 3,107,961	\$ 607,961
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	(5,000)	(5,000)	300	5,300
<i>Total revenues</i>	<u>2,495,000</u>	<u>2,495,000</u>	<u>3,108,261</u>	<u>613,261</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	365,000	365,000	83,846	281,154
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	879,436	879,436	349,896	529,540
<i>Total expenditures</i>	<u>1,244,436</u>	<u>1,244,436</u>	<u>433,742</u>	<u>810,694</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,250,564</u>	<u>1,250,564</u>	<u>2,674,519</u>	<u>1,423,955</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(1,250,564)	(1,250,564)	-	1,250,564
Transfers In	-	-	-	-
Transfers Out	-	-	(2,022,540)	(2,022,540)
<i>Total other financing sources (uses)</i>	<u>(1,250,564)</u>	<u>(1,250,564)</u>	<u>(2,022,540)</u>	<u>(771,976)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	651,979	651,979
<i>Fund Balance - Beginning of Year</i>	-	-	1,108,143	1,108,143
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,760,122</u>	<u>\$ 1,760,122</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			279,037	
Adjustments to expenditures (liabilities)			138,714	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 1,069,730</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-13

McKinley County

Recreation Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 3,400	\$ 3,400	\$ 3,475	\$ 75
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,400</u>	<u>3,400</u>	<u>3,475</u>	<u>75</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	4,800	4,800	3,654	1,146
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>4,800</u>	<u>4,800</u>	<u>3,654</u>	<u>1,146</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,400)</u>	<u>(1,400)</u>	<u>(179)</u>	<u>1,221</u>
<i>Other financing sources (uses)</i>				
Designated Cash	1,400	1,400	-	(1,400)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,400</u>	<u>1,400</u>	<u>-</u>	<u>(1,400)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(179)	(179)
<i>Fund Balance - Beginning of Year</i>	-	-	4,724	4,724
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,545</u>	<u>\$ 4,545</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ (179)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-14

McKinley County

Maternal/Child Health Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	75,000	75,000	77,793	2,793
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>75,000</u>	<u>75,000</u>	<u>77,793</u>	<u>2,793</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	86,583	86,583	82,832	3,751
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>86,583</u>	<u>86,583</u>	<u>82,832</u>	<u>3,751</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(11,583)</u>	<u>(11,583)</u>	<u>(5,039)</u>	<u>6,544</u>
<i>Other financing sources (uses)</i>				
Designated Cash	11,583	11,583	-	(11,583)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>11,583</u>	<u>11,583</u>	<u>-</u>	<u>(11,583)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(5,039)	(5,039)
<i>Fund Balance - Beginning of Year</i>	-	-	25,001	25,001
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,962</u>	<u>\$ 19,962</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			(11,583)	
Adjustments to expenditures (liabilities)			11,583	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (5,039)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-15

McKinley County

Senior Citizens Center Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	39,706	35,776	32,428	3,348
Capital Outlay	-	3,930	4,026	(96)
<i>Total expenditures</i>	<u>39,706</u>	<u>39,706</u>	<u>36,454</u>	<u>3,252</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(39,706)</u>	<u>(39,706)</u>	<u>(36,454)</u>	<u>3,252</u>
<i>Other financing sources (uses)</i>				
Designated Cash	39,706	39,706	-	(39,706)
Transfers In	-	-	42,000	42,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>39,706</u>	<u>39,706</u>	<u>42,000</u>	<u>2,294</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	5,546	5,546
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>13,698</u>	<u>13,698</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,244</u>	<u>\$ 19,244</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 5,546</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-16

McKinley County

Indigent Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ 3,050,000	\$ 3,050,000	\$ 3,643,325	\$ 593,325
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	3,000	3,000	2,840	(160)
Miscellaneous	1,000	1,000	2,966	1,966
<i>Total revenues</i>	<u>3,054,000</u>	<u>3,054,000</u>	<u>3,649,131</u>	<u>595,131</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	3,816,453	4,171,294	3,075,286	1,096,008
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>3,816,453</u>	<u>4,171,294</u>	<u>3,075,286</u>	<u>1,096,008</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(762,453)</u>	<u>(1,117,294)</u>	<u>573,845</u>	<u>1,691,139</u>
<i>Other financing sources (uses)</i>				
Designated Cash	762,453	1,117,294	-	(1,117,294)
Transfers In	-	-	-	-
Transfers Out	-	-	(102,072)	(102,072)
<i>Total other financing sources (uses)</i>	<u>762,453</u>	<u>1,117,294</u>	<u>(102,072)</u>	<u>(1,219,366)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	471,773	471,773
<i>Fund Balance - Beginning of Year</i>	-	-	1,257,563	1,257,563
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,729,336</u>	<u>\$ 1,729,336</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			145,924	
Adjustments to expenditures (liabilities)			(39,391)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 578,306</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

Statement B-17

McKinley County  
 Fire Excise Tax Special Revenue Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,402,615	\$ 402,615
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,402,615</u>	<u>402,615</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	296,734	288,914	179,585	109,329
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	1,344,000	1,351,820	881,164	470,656
<i>Total expenditures</i>	<u>1,640,734</u>	<u>1,640,734</u>	<u>1,060,749</u>	<u>579,985</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(640,734)</u>	<u>(640,734)</u>	<u>341,866</u>	<u>982,600</u>
<i>Other financing sources (uses)</i>				
Designated Cash	640,734	640,734	-	(640,734)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>640,734</u>	<u>640,734</u>	<u>-</u>	<u>(640,734)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	341,866	341,866
<i>Fund Balance - Beginning of Year</i>	-	-	2,202,008	2,202,008
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,543,874</u>	<u>\$ 2,543,874</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			133,430	
Adjustments to expenditures (liabilities)			<u>171,972</u>	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 647,268</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-18

McKinley County

Local DWI Program Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	1,106,000	1,106,000	1,026,358	(79,642)
Charges For Services	-	-	-	-
Licenses and Fees	40,000	40,000	10,995	(29,005)
Interest Income	-	-	-	-
Miscellaneous	154,000	154,000	187,838	33,838
<i>Total revenues</i>	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,225,191</u>	<u>(74,809)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	1,384,202	1,384,202	1,118,561	265,641
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	20,000	20,000	-	20,000
<i>Total expenditures</i>	<u>1,404,202</u>	<u>1,404,202</u>	<u>1,118,561</u>	<u>285,641</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(104,202)</u>	<u>(104,202)</u>	<u>106,630</u>	<u>210,832</u>
<i>Other financing sources (uses)</i>				
Designated Cash	104,202	104,202	-	(104,202)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>104,202</u>	<u>104,202</u>	<u>-</u>	<u>(104,202)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	106,630	106,630
<i>Fund Balance - Beginning of Year</i>	-	-	203,397	203,397
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 310,027</u>	<u>\$ 310,027</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			(10,770)	
Adjustments to expenditures (liabilities)			(66,654)	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 29,206</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

Statement B-19

McKinley County  
 Clerk Recording & Filing Special Revenue Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	27,000	27,000	15,576	(11,424)
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>27,000</u>	<u>27,000</u>	<u>15,576</u>	<u>(11,424)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	12,975	25,975	15,022	10,953
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	77,000	64,000	-	64,000
<i>Total expenditures</i>	<u>89,975</u>	<u>89,975</u>	<u>15,022</u>	<u>74,953</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(62,975)</u>	<u>(62,975)</u>	<u>554</u>	<u>63,529</u>
<i>Other financing sources (uses)</i>				
Designated Cash	62,975	62,975	-	(62,975)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>62,975</u>	<u>62,975</u>	<u>-</u>	<u>(62,975)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	554	554
<i>Fund Balance - Beginning of Year</i>	-	-	89,299	89,299
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,853</u>	<u>\$ 89,853</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 554</u>	

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

Statement B-20

McKinley County  
Magistrate Court Special Revenue Fund  
Statement of Revenue, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	<u>248,600</u>	<u>248,600</u>	<u>128,600</u>	<u>(120,000)</u>
<i>Total revenues</i>	<u>248,600</u>	<u>248,600</u>	<u>128,600</u>	<u>(120,000)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	107,191	107,191	75,432	31,759
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total expenditures</i>	<u>107,191</u>	<u>107,191</u>	<u>75,432</u>	<u>31,759</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>141,409</u>	<u>141,409</u>	<u>53,168</u>	<u>(88,241)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(141,409)	(141,409)	-	141,409
Transfers In	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>(141,409)</u>	<u>(141,409)</u>	<u>-</u>	<u>141,409</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	53,168	53,168
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>94,921</u>	<u>94,921</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 148,089</u>	<u>\$ 148,089</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			<u>(2,273)</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 50,895</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-21

McKinley County

Sheriff's Grants Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	462,450	1,188,645	503,986	(684,659)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>462,450</u>	<u>1,188,645</u>	<u>503,986</u>	<u>(684,659)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	475,065	1,201,260	568,478	632,782
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>475,065</u>	<u>1,201,260</u>	<u>568,478</u>	<u>632,782</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(12,615)</u>	<u>(12,615)</u>	<u>(64,492)</u>	<u>(51,877)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	12,615	12,615	-	(12,615)
Transfers In	-	-	100,000	100,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>12,615</u>	<u>12,615</u>	<u>100,000</u>	<u>87,385</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	35,508	35,508
<i>Fund Balance - Beginning of Year</i>	-	-	10,747	10,747
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,255</u>	<u>\$ 46,255</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			38,593	
Adjustments to expenditures (liabilities)			<u>(20,054)</u>	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 54,047</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-22

McKinley County

Narcotic Drug Control Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	13,000	13,000	16,396	3,396
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	500	500	500	-
<i>Total revenues</i>	<u>13,500</u>	<u>13,500</u>	<u>16,896</u>	<u>3,396</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	65,800	65,800	51,295	14,505
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>65,800</u>	<u>65,800</u>	<u>51,295</u>	<u>14,505</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(52,300)</u>	<u>(52,300)</u>	<u>(34,399)</u>	<u>17,901</u>
<i>Other financing sources (uses)</i>				
Designated Cash	52,300	52,300	-	(52,300)
Transfers In	-	-	52,000	52,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>52,300</u>	<u>52,300</u>	<u>52,000</u>	<u>(300)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	17,601	17,601
<i>Fund Balance - Beginning of Year</i>	-	-	35,867	35,867
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,468</u>	<u>\$ 53,468</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 17,601</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-23

## McKinley County

## Federal Office of Justice - Law Enforcement Special Revenue Fund

## Statement of Revenue, Expenditures and Changes in Fund Balance

## Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	17,320	339,782	50,180	(289,602)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>17,320</u>	<u>339,782</u>	<u>50,180</u>	<u>(289,602)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	18,320	292,402	12,964	279,438
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>18,320</u>	<u>292,402</u>	<u>12,964</u>	<u>279,438</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,000)</u>	<u>47,380</u>	<u>37,216</u>	<u>(10,164)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	1,000	(47,380)	-	47,380
Transfers In	-	-	103,000	103,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,000</u>	<u>(47,380)</u>	<u>103,000</u>	<u>150,380</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	140,216	140,216
<i>Fund Balance - Beginning of Year</i>	-	-	1,633	1,633
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,849</u>	<u>\$ 141,849</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 140,216</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-24

McKinley County  
 Law Enforcement Seizures Special Revenue Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	2,114	2,114
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>2,114</u>	<u>2,114</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>2,114</u>	<u>2,114</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	2,114	2,114
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>5,845</u>	<u>5,845</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,959</u>	<u>\$ 7,959</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 2,114</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

Statement B-25

McKinley County  
 JSAAC Grant Special Revenue Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	419,000	586,690	161,674	(425,016)
Charges For Services	3,000	3,000	-	(3,000)
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<b>422,000</b>	<b>589,690</b>	<b>161,674</b>	<b>(428,016)</b>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	446,210	547,514	440,387	107,127
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	37,600	33,986	33,980	6
<b>Total expenditures</b>	<b>483,810</b>	<b>581,500</b>	<b>474,367</b>	<b>107,133</b>
<i>Excess (deficiency) of revenues over expenditures</i>	<b>(61,810)</b>	<b>8,190</b>	<b>(312,693)</b>	<b>(320,883)</b>
<i>Other financing sources (uses)</i>				
Designated Cash	61,810	(8,190)	-	8,190
Transfers In	-	-	175,000	175,000
Transfers Out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>61,810</b>	<b>(8,190)</b>	<b>175,000</b>	<b>183,190</b>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(137,693)	(137,693)
<i>Fund Balance - Beginning of Year</i>	-	-	159,413	159,413
<i>Fund Balance - End of Year</i>	\$ -	\$ -	\$ 21,720	\$ 21,720
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			(15,910)	
Adjustments to expenditures (liabilities)			(17,553)	
<b>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</b>			<b>\$ (171,156)</b>	

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO

Statement B-26

McKinley County

Rural Public Safety Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ 650,000	\$ 650,000	\$ 778,161	\$ 128,161
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>650,000</u>	<u>650,000</u>	<u>778,161</u>	<u>128,161</u>
<i>Expenditures:</i>				
<i>Current:</i>				
General Government	-	-	-	-
Public Safety	66,742	66,742	16,137	50,605
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	392,000	392,000	396,566	(4,566)
<i>Total expenditures</i>	<u>458,742</u>	<u>458,742</u>	<u>412,703</u>	<u>46,039</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>191,258</u>	<u>191,258</u>	<u>365,458</u>	<u>174,200</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(191,258)	(191,258)	-	191,258
Transfers In	-	-	-	-
Transfers Out	-	-	(288,500)	(288,500)
<i>Total other financing sources (uses)</i>	<u>(191,258)</u>	<u>(191,258)</u>	<u>(288,500)</u>	<u>(97,242)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	76,958	76,958
<i>Fund Balance - Beginning of Year</i>	-	-	2,238,018	2,238,018
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,314,976</u>	<u>\$ 2,314,976</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			69,796	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 146,754</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-27

McKinley County

Telecommunications Special Revenue Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP	Favorable
			Basis)	(Unfavorable)
				Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	20,000	20,000	39,257	19,257
<i>Total revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>39,257</u>	<u>19,257</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	45,795	45,795	21,913	23,882
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>45,795</u>	<u>45,795</u>	<u>21,913</u>	<u>23,882</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(25,795)</u>	<u>(25,795)</u>	<u>17,344</u>	<u>43,139</u>
<i>Other financing sources (uses)</i>				
Designated Cash	25,795	25,795	-	(25,795)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>25,795</u>	<u>25,795</u>	<u>-</u>	<u>(25,795)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	17,344	17,344
<i>Fund Balance - Beginning of Year</i>	-	-	33,398	33,398
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,742</u>	<u>\$ 50,742</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
<i>Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)</i>			<u>\$ 17,344</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-1

McKinley County

Capital Projects Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,143,585	\$ 143,585
Intergovernmental Income	290,000	290,000	305,000	15,000
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,290,000</u>	<u>1,290,000</u>	<u>1,448,585</u>	<u>158,585</u>
<i>Expenditures:</i>				
Current:				
General Government	1,350,000	1,350,000	48,542	1,301,458
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	1,500,000	1,500,000	-	1,500,000
<i>Total expenditures</i>	<u>2,850,000</u>	<u>2,850,000</u>	<u>48,542</u>	<u>2,801,458</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,560,000)</u>	<u>(1,560,000)</u>	<u>1,400,043</u>	<u>2,960,043</u>
<i>Other financing sources (uses)</i>				
Designated Cash	1,560,000	1,560,000	-	(1,560,000)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,560,000</u>	<u>1,560,000</u>	<u>-</u>	<u>(1,560,000)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	1,400,043	1,400,043
<i>Fund Balance - Beginning of Year</i>	-	-	5,213,732	5,213,732
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,613,775</u>	<u>\$ 6,613,775</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			129,090	
Adjustments to expenditures (liabilities)			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 1,529,133</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-2

## McKinley County

Law Enforcement JDC Building Capital Project Fund  
Statement of Revenue, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	300,000	300,000	515,495	(215,495)
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	10,000,000	10,000,000	1,859,245	8,140,755
<i>Total expenditures</i>	<u>10,300,000</u>	<u>10,300,000</u>	<u>2,374,740</u>	<u>7,925,260</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(10,300,000)</u>	<u>(10,300,000)</u>	<u>(2,374,740)</u>	<u>7,925,260</u>
<i>Other financing sources (uses)</i>				
Bond Proceeds	10,300,000	10,300,000	10,300,000	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,300,000</u>	<u>10,300,000</u>	<u>10,300,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	7,925,260	7,925,260
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,925,260</u>	<u>\$ 7,925,260</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			(1,357,844)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 6,567,416</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-3

## McKinley County

CDBG/Gamco Water System Capital Project Fund  
Statement of Revenue, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	-	-	(250)	(250)
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>(250)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(250)	(250)
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (250)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-4

## McKinley County

CDBG/Williams Acres Water System Capital Project Fund  
 Statement of Revenue, Expenditures and Changes in Fund Balance  
 Budget (Non-GAAP Basis) and Actual  
 For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	500,000	500,000	-	(500,000)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	500,000	500,000	-	500,000
<i>Total expenditures</i>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	250	250
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 250</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 250</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-5

## McKinley County

Infrastructure Gross Receipts Capital Projects Fund  
Statement of Revenue, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ending June 30, 2009

	Budgeted Amounts		Actual (Non-GAAP Basis)	Variances Favorable (Unfavorable)
	Original	Final		Final to Actual
<i>Revenues:</i>				
Taxes	\$ 390,000	\$ 390,000	\$ 525,235	\$ 135,235
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>390,000</u>	<u>390,000</u>	<u>525,235</u>	<u>135,235</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	425,000	434,000	153,431	280,569
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	70,000	61,000	19,408	41,592
<i>Total expenditures</i>	<u>495,000</u>	<u>495,000</u>	<u>172,839</u>	<u>322,161</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(105,000)</u>	<u>(105,000)</u>	<u>352,396</u>	<u>457,396</u>
<i>Other financing sources (uses)</i>				
Designated Cash	105,000	105,000	-	(105,000)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>105,000</u>	<u>105,000</u>	<u>-</u>	<u>(105,000)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	352,396	352,396
<i>Fund Balance - Beginning of Year</i>	-	-	949,089	949,089
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,301,485</u>	<u>\$ 1,301,485</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			33,358	
Adjustments to expenditures (liabilities)			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 385,754</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement C-6

## McKinley County

## Courthouse Annex Capital Projects Fund

## Statement of Revenue, Expenditures and Changes in Fund Balance

## Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	178,712	178,712
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>178,712</u>	<u>178,712</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	186,349	239,434	127,896	111,538
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	266,700	213,615	97,246	116,369
<i>Total expenditures</i>	<u>453,049</u>	<u>453,049</u>	<u>225,142</u>	<u>227,907</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(453,049)</u>	<u>(453,049)</u>	<u>(46,430)</u>	<u>406,619</u>
<i>Other financing sources (uses)</i>				
Designated Cash	453,049	453,049	-	(453,049)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>453,049</u>	<u>453,049</u>	<u>-</u>	<u>(453,049)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(46,430)	(46,430)
<i>Fund Balance - Beginning of Year</i>	-	-	455,229	455,229
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 408,799</u>	<u>\$ 408,799</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			12,968	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (33,462)</u>	

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement C-7

McKinley County

State Capital Projects Fund

Statement of Revenue, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	5,600,000	5,600,000	2,455,796	(3,144,204)
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	600,000	657,000	108,250	(548,750)
<i>Total revenues</i>	<u>6,200,000</u>	<u>6,257,000</u>	<u>2,564,046</u>	<u>(3,692,954)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	5,952,337	6,566,189	1,534,972	5,031,217
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	250,510	250,510	1,306,248	(1,055,738)
<i>Total expenditures</i>	<u>6,202,847</u>	<u>6,816,699</u>	<u>2,841,220</u>	<u>3,975,479</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,847)</u>	<u>(559,699)</u>	<u>(277,174)</u>	<u>282,525</u>
<i>Other financing sources (uses)</i>				
Designated Cash	2,847	559,699	-	(559,699)
Transfers In	-	-	300,000	300,000
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,847</u>	<u>559,699</u>	<u>300,000</u>	<u>(259,699)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	22,826	22,826
<i>Fund Balance - Beginning of Year</i>	-	-	212,938	212,938
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,764</u>	<u>\$ 235,764</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			24,877	
Adjustments to expenditures (liabilities)			(218,005)	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (170,302)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement D-1

## McKinley County

## General Obligation Bonds Debt Service Fund

## Statement of Revenue, Expenditures and Changes in Fund Balance

## Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 736,900	\$ 736,900	\$ 568,164	\$ (168,736)
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>736,900</u>	<u>736,900</u>	<u>568,164</u>	<u>(168,736)</u>
<i>Expenditures:</i>				
Current:				
General Government	500	500	-	500
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	705,000	705,000	705,000	-
Interest	29,030	29,030	29,025	5
<i>Total expenditures</i>	<u>734,530</u>	<u>734,530</u>	<u>734,025</u>	<u>505</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,370</u>	<u>2,370</u>	<u>(165,861)</u>	<u>(168,231)</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(2,370)	(2,370)	-	2,370
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(2,370)</u>	<u>(2,370)</u>	<u>-</u>	<u>2,370</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>(165,861)</u>	<u>(165,861)</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>1,006,152</u>	<u>1,006,152</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 840,291</u>	<u>\$ 840,291</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			(1,562)	
Adjustments to expenditures (liabilities)			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (167,423)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement D-2

## McKinley County

## General Revenue Bonds Debt Service Fund

## Statement of Revenue, Expenditures and Changes in Fund Balance

## Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 69,000	\$ 69,000	\$ 69,000	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>69,000</u>	<u>69,000</u>	<u>69,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General Government	500	500	-	500
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	95,000	95,000	95,000	-
Interest	34,000	34,000	33,985	15
<i>Total expenditures</i>	<u>129,500</u>	<u>129,500</u>	<u>128,985</u>	<u>515</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(60,500)</u>	<u>(60,500)</u>	<u>(59,985)</u>	<u>515</u>
<i>Other financing sources (uses)</i>				
Designated Cash	60,500	60,500	-	(60,500)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>60,500</u>	<u>60,500</u>	<u>-</u>	<u>(60,500)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	<u>-</u>	<u>-</u>	<u>(59,985)</u>	<u>(59,985)</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>258,992</u>	<u>258,992</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,007</u>	<u>\$ 199,007</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			-	
Adjustments to expenditures (liabilities)			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (59,985)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement D-3

## McKinley County

## Other Bonds/Loans Debt Service Fund

## Statement of Revenue, Expenditures and Changes in Fund Balance

## Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	467	467
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>467</u>	<u>467</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>467</u>	<u>467</u>
<i>Other financing sources (uses)</i>				
Designated Cash	-	-	-	-
Transfers In	-	-	144,192	144,192
Transfers Out	-	-	(438,537)	(438,537)
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>(294,345)</u>	<u>(294,345)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing</i>	<u>-</u>	<u>-</u>	<u>(293,878)</u>	<u>(293,878)</u>
<i>Fund Balance - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>294,346</u>	<u>294,346</u>
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468</u>	<u>\$ 468</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			(9,550)	
Adjustments to expenditures (liabilities)				
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ (9,550)</u>	
			<u>\$ (303,428)</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement D-4

## McKinley County

## Courthouse Project Debt Service Fund

## Statement of Revenue, Expenditures and Changes in Fund Balance

## Budget (Non-GAAP Basis) and Actual

For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 1,198,800	\$ 1,198,800	\$ 1,197,800	\$ (1,000)
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,198,800</u>	<u>1,198,800</u>	<u>1,197,800</u>	<u>(1,000)</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	630,000	630,000	630,000	-
Interest	569,105	569,105	568,104	1,001
<i>Total expenditures</i>	<u>1,199,105</u>	<u>1,199,105</u>	<u>1,198,104</u>	<u>1,001</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(305)</u>	<u>(305)</u>	<u>(304)</u>	<u>1</u>
<i>Other financing sources (uses)</i>				
Designated Cash	305	305	-	(305)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>305</u>	<u>305</u>	<u>-</u>	<u>(305)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	(304)	(304)
<i>Fund Balance - Beginning of Year</i>	-	-	697,574	697,574
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 697,270</u>	<u>\$ 697,270</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			100,000	
Adjustments to expenditures (liabilities)			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 99,696</u>	

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement D-5

## McKinley County

Law Enforcement Juvenile Detention Center Debt Service Fund  
Statement of Revenue, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
For the Year Ending June 30, 2009

	Budgeted Amounts		Actual	Variances
	Original	Final	(Non-GAAP Basis)	Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes	\$ 625,000	\$ 625,000	\$ 768,650	\$ 143,650
Intergovernmental Income	-	-	-	-
Charges For Services	-	-	-	-
Licenses and Fees	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>625,000</u>	<u>625,000</u>	<u>768,650</u>	<u>143,650</u>
<i>Expenditures:</i>				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Culture and Recreation	-	-	-	-
Health and Welfare	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal	275,000	275,000	350,000	(75,000)
Interest	348,702	348,702	352,259	(3,557)
<i>Total expenditures</i>	<u>623,702</u>	<u>623,702</u>	<u>702,259</u>	<u>(78,557)</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,298</u>	<u>1,298</u>	<u>66,391</u>	<u>65,093</u>
<i>Other financing sources (uses)</i>				
Designated Cash	(1,298)	(1,298)	-	1,298
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,298)</u>	<u>(1,298)</u>	<u>-</u>	<u>1,298</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing (uses)</i>	-	-	66,391	66,391
<i>Fund Balance - Beginning of Year</i>	-	-	-	-
<i>Fund Balance - End of Year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,391</u>	<u>\$ 66,391</u>
<i>Reconciliation to GAAP Basis:</i>				
Adjustments to revenues (assets)			50,111	
Adjustments to expenditures (liabilities)			-	
Excess (deficiency) of revenues and other sources (uses) over expenditures (GAAP Basis)			<u>\$ 116,502</u>	

The accompanying notes are an integral part of these financial statements

**SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
**Mckinley County**  
**Schedule of Collateral Pledged by Depository**  
**For the Year Ended June 30, 2009**

Security Description	CUSIP Number	Fair Market Value	Maturity Date	Name and Location of Safekeeper
<b>Pinnacle Bank</b>				
FNMA Notes-1T10, 5.55%	31359M5G4	12,255,000	2/16/2017	Federal Reserve Bank of Kansas City
FNMA Notes-1T10, 2.5%	3136FHBE4	8,022,480	2/17/2012	Federal Reserve Bank of Kansas City
FNMA Notes-1T10, 2.0%	31398AVL3	9,070,290	3/2/2011	Federal Reserve Bank of Kansas City
FNMA Notes-1T10, 2.0%	31398AVW9	10,081,300	4/1/2011	Federal Reserve Bank of Kansas City
FNMA Notes-1T10, 2.62%	3136FHDE2	9,030,960	9/11/2012	Federal Reserve Bank of Kansas City
FNMA Notes-1T10, 2.5%	3136FHEC5	9,033,750	9/18/2012	Federal Reserve Bank of Kansas City
FHLB Bonds-CONT 5, 5.7%	3133XGLR3	5,040,650	8/21/2013	Federal Reserve Bank of Kansas City
FNMA 21058 ARM, 4.65%	313605MF1	45,237	10/1/2013	Federal Reserve Bank of Kansas City
FNMA 303603, 6.5%	31373UGL5	29,024	2/1/2014	Federal Reserve Bank of Kansas City
FNMA 238817 ARM, 5.78%	31370RG27	222,706	11/1/2024	Federal Reserve Bank of Kansas City
FNMA 303603, 6.5%	31373UGL5	104,486	2/1/2014	Federal Reserve Bank of Kansas City
FNMA 323755, 6.5%	31374TTL3	73,657	11/1/2013	Federal Reserve Bank of Kansas City
FNMA 323794, 6.5%	31374TUT4	80,721	6/1/2014	Federal Reserve Bank of Kansas City
FNMA 422841, 6.5%	31379LWA5	73,259	4/1/2013	Federal Reserve Bank of Kansas City
FNMA 257504, 5.0%	31371PAD2	2,658,124	9/1/2011	Federal Reserve Bank of Kansas City
FHLMC M80792, 4.5%	31282R2Z6	107,372	1/1/2010	Federal Reserve Bank of Kansas City
FHLMC G11533, 5.0%	31283KV21	3,029,184	5/1/2012	Federal Reserve Bank of Kansas City
FHLMC 2894 QG, 4.5%	31394LLQ3	2,959,260	10/1/2011	Federal Reserve Bank of Kansas City
CORRALES NM GO, 3.75%	22025PBF5	77,559	8/1/2015	Federal Reserve Bank of Kansas City
CORRALES NM GO, 4.0%	22025PBG3	77,970	8/1/2016	Federal Reserve Bank of Kansas City
WEST POINT NE COP, 4.2%	95544AB0	252,133	11/1/2016	Federal Reserve Bank of Kansas City

The accompanying notes are an integral part of these financial statements



WEST POINT NE COP, 4.25%	95544AC8	<u>400,472</u>	11/1/2017	Federal Reserve Bank of Kansas City
<b>Total - Pinnacle Bank</b>		<u>\$ 72,725,593</u>		
<b>1st Community Bank</b>				
PORTALES N MEX MUN SD #1 FSA, 4.0%	736151CV1	\$ 475,000	1/15/2015	Federal Home Loan Bank - Dallas, TX
MBS FHMC Gold 15 YEAR-E01323, 4.5%	31294KPG4	68,481	3/1/2018	Federal Home Loan Bank - Dallas, TX
MBS fnma 15- YEAR-555606, 4.0%	31385XGP6	1,233,236	7/1/2018	Federal Home Loan Bank - Dallas, TX
FHR 2634 pa, 3.0%	31393VFN6	<u>709,294</u>	2/15/2023	Federal Home Loan Bank - Dallas, TX
<b>Total - 1st Community Bank</b>		<u>\$ 2,486,011</u>		
<b>Total</b>		<u><u>\$ 75,211,604</u></u>		

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**McKinley County**  
**Schedule of Depositories**  
**For the Year Ended June 30, 2009**

<u>Bank Name</u>	<u>Acct. Type</u>	<u>Bank Balance</u>	<u>Deposits in Transit</u>	<u>Outstanding Checks</u>	<u>Carrying Balance</u>
Pinnacle Bank					
Operational	Ckg	\$ 736,611	\$ 14,097	\$ 3,582	\$ 747,126
CDBG	Ckg	250	-	-	250
Seizure	Ckg	7,927	-	-	7,927
Certificate of Deposit	CD	1,000,000	-	-	1,000,000
Certificate of Deposit	CD	1,070,341	-	-	1,070,341
Certificate of Deposit	CD	3,363,704	-	-	3,363,704
Certificate of Deposit	CD	3,386,655	-	-	3,386,655
Certificate of Deposit	CD	3,404,075	-	-	3,404,075
Sweep	MM	28,254,874	-	1,591,836	26,663,038
National Financial Services Corp.					
U.S. Government Securities	Inv	13,417,015	-	-	13,417,015
NM State					
State Treasurer's LGIP	LGIP	(105,868)	-	-	(105,868)
1st Community Bank					
Certificate of Deposit	CD	1,000,000	-	-	1,000,000
Certificate of Deposit	CD	1,502,736	-	-	1,502,736
1st Financial Credit Union					
Certificate of Deposit	CD	99,349	-	-	99,349
Total cash in bank		<u>\$ 57,137,669</u>	<u>\$ 14,097</u>	<u>\$ 1,595,418</u>	<u>\$ 55,556,348</u>
Unreconciled difference					111,882
Petty Cash					1,150
Total per General Ledger					<u>55,669,380</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
**McKinley County**  
**Tax Roll Reconciliation - Changes in Property Taxes Receivable**  
**For the Year Ended June 30, 2009**

Property taxes receivable, beginning of year	\$ 1,949,488
Changes to Tax Roll:	
Net taxes charged to Treasurer for fiscal year	22,946,297
Adjustments:	
Increases in taxes receivable	208,626
Charge off of taxes receivable	<u>(13,552)</u>
 Total receivables prior to collections	 25,090,859
 Collections for fiscal year ended June 30, 2008	 <u>23,192,542</u>
 Property taxes receivable, end of year	 <u><u>\$ 1,898,317</u></u>
 Property taxes receivable by year:	
1999	17,717
2000	15,559
2001	22,895
2002	28,077
2003	22,230
2004	28,237
2005	28,331
2006	110,584
2007	361,722
2008	<u>1,262,965</u>
 Total taxes receivable	 <u><u>\$ 1,898,317</u></u>

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

## STATE OF NEW MEXICO

Schedule IIIA

## MCKINLEY COUNTY

## TAX RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

JUNE 30, 2009

	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year-End
<b>001 State Debt Service</b>						
State Debt Service 1999	865,129	436	864,401.86	436	864,402	727
State Debt Service 2000	261,145	75	261,050.86	75	261,051	94
State Debt Service 2001	321,066	284	320,900.48	284	320,900	166
State Debt Service 2002	209,188	82	209,052.36	82	209,052	135
State Debt Service 2003	296,223	104	296,020.93	104	296,021	202
State Debt Service 2004	204,485	251	204,261.33	251	204,261	224
State Debt Service 2005	261,314	1,921	260,959.51	1,921	260,960	355
State Debt Service 2006	282,725	6,962	281,095.17	6,962	281,095	1,630
State Debt Service 2007	288,926	14,015	280,910.45	14,015	280,910	8,015
State Debt Service 2008	303,780	278,416	278,415.51	278,416	278,416	25,364
Total state debt service fees	<u>3,293,981</u>	<u>302,546</u>	<u>3,257,068</u>	<u>302,546</u>	<u>3,257,068</u>	<u>36,912</u>
<b>002 County Operational - Res</b>						
County Operational - Res 1999	867,988	458	867,786.19	458	867,786	202
County Operational - Res 2000	901,625	258	901,299.88	258	901,300	326
County Operational - Res 2001	936,640	828	936,156.70	828	936,157	483
County Operational - Res 2002	970,497	383	969,868.89	383	969,869	628
County Operational - Res 2003	993,907	347	993,228.09	347	993,228	678
County Operational - Res 2004	1,037,343	1,276	1,036,209.05	1,276	1,036,209	1,134
County Operational - Res 2005	1,083,797	7,969	1,082,326.42	7,969	1,082,326	1,471
County Operational - Res 2006	1,151,707	28,361	1,145,065.48	28,361	1,145,065	6,641
County Operational - Res 2007	1,232,608	59,802	1,198,413.25	59,802	1,198,413	34,195
County Operational - Res 2008	1,303,337	1,194,514	1,194,513.90	1,194,514	1,194,514	108,823
Total county operational - res. fee	<u>10,479,448</u>	<u>1,294,194</u>	<u>10,324,868</u>	<u>1,294,194</u>	<u>10,324,868</u>	<u>154,580</u>

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## MCKINLEY COUNTY

## TAX RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

JUNE 30, 2009

	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year-End
<b>003 County Debt Service</b>						
County Debt Service 1999	918,251	463	917,479.18	463	917,479	772
County Debt Service 2000	155,423	44	155,367.09	44	155,367	56
County Debt Service 2001	192,822	170	192,722.11	170	192,722	99
County Debt Service 2002	231,541	91	231,390.98	91	231,391	150
County Debt Service 2003	23,581	8	23,564.82	8	23,565	16
County Debt Service 2004	496,692	611	496,148.44	611	496,148	543
County Debt Service 2005	248,820	1,829	248,482.51	1,829	248,483	338
County Debt Service 2006	254,694	6,272	253,225.17	6,272	253,225	1,469
County Debt Service 2007	250,592	12,158	243,639.76	12,158	243,640	6,952
County Debt Service 2008	197,578	181,081	181,081.45	181,081	181,081	16,497
Total County Debt Service	<u>2,969,993</u>	<u>202,729</u>	<u>2,943,102</u>	<u>202,729</u>	<u>2,943,102</u>	<u>26,891</u>
<b>004 Gallup Municipal Operational - Res</b>						
Gallup Municipal Operational - Res 1999	634,080	312	634,004.80	312	634,005	75
Gallup Municipal Operational - Res 2000	657,923	13	657,739.00	13	657,739	184
Gallup Municipal Operational - Res 2001	682,439	363	682,215.61	363	682,216	223
Gallup Municipal Operational - Res 2002	706,766	218	706,528.41	218	706,528	238
Gallup Municipal Operational - Res 2003	724,620	132	724,319.60	132	724,320	300
Gallup Municipal Operational - Res 2004	755,928	877	755,282.93	877	755,283	645
Gallup Municipal Operational - Res 2005	790,007	5,368	789,041.83	5,368	789,042	965
Gallup Municipal Operational - Res 2006	838,977	16,349	834,847.37	16,349	834,847	4,130
Gallup Municipal Operational - Res 2007	897,455	33,595	877,656.88	33,595	877,657	19,798
Gallup Municipal Operational - Res 2008	949,854	885,877	885,876.60	885,877	885,877	63,977
Total Gallup Municipal Operational - Res	<u>7,638,049</u>	<u>943,104</u>	<u>7,547,513</u>	<u>943,104</u>	<u>7,547,513</u>	<u>90,536</u>

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## MCKINLEY COUNTY

## TAX RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

JUNE 30, 2009

	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year-End
<b>005 Gallup Municipal Debt Service</b>						
Gallup Municipal Debt Service 1999	301,139	316	300,906.41	316	300,906	233
Gallup Municipal Debt Service 2000	164,853	3	164,807.15	3	164,807	46
Gallup Municipal Debt Service 2001	171,516	91	171,459.75	91	171,460	56
Gallup Municipal Debt Service 2002	173,971	54	173,912.43	54	173,912	59
Gallup Municipal Debt Service 2003	334,050	61	333,911.64	61	333,912	139
Gallup Municipal Debt Service 2004	346,298	402	346,002.50	402	346,003	296
Gallup Municipal Debt Service 2005	368,062	2,501	367,612.36	2,501	367,612	450
Gallup Municipal Debt Service 2006	235,798	4,595	234,636.95	4,595	234,637	1,161
Gallup Municipal Debt Service 2007	404,835	15,155	395,904.44	15,155	395,904	8,931
Gallup Municipal Debt Service 2008	416,076	388,052	388,051.70	388,052	388,052	28,025
Total Gallup Municipal Debt Service	2,916,599	411,229	2,877,205	411,229	2,877,205	39,393
<b>006 School District Operational - Res</b>						
School District Debt Service 1999	39,076	21	39,066.78	21	39,067	9
School District Debt Service 2000	40,644	12	40,629.05	12	40,629	15
School District Debt Service 2001	42,922	38	42,899.77	38	42,900	22
School District Debt Service 2002	44,511	18	44,482.46	18	44,482	29
School District Debt Service 2003	45,595	16	45,563.55	16	45,564	31
School District Debt Service 2004	47,537	58	47,484.96	58	47,485	52
School District Debt Service 2005	49,759	366	49,691.94	366	49,692	67
School District Debt Service 2006	52,773	1,300	52,469.47	1,300	52,469	304
School District Debt Service 2007	56,550	2,744	54,981.42	2,744	54,981	1,568
School District Debt Service 2008	59,779	54,788	54,787.72	54,788	54,788	4,991
Total District Debt Service	479,146	59,359	472,057	59,359	472,057	7,089

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JUNE 30, 2009

	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year-End
<b>007 School District Debt Service</b>						
School District Debt Service 1999	4,652,060	2,346	4,648,538.81	2,346	4,648,539	3,521
School District Debt Service 2000	1,363,273	390	1,362,780.41	390	1,362,780	492
School District Debt Service 2001	1,468,984	1,298	1,468,226.46	1,298	1,468,226	758
School District Debt Service 2002	1,504,630	594	1,503,656.08	594	1,503,656	974
School District Debt Service 2003	1,565,612	547	1,564,543.35	547	1,564,543	1,069
School District Debt Service 2004	1,602,731	1,971	1,600,978.21	1,971	1,600,978	1,753
School District Debt Service 2005	1,718,492	12,636	1,716,169.51	12,636	1,716,170	2,323
School District Debt Service 2006	1,775,901	43,735	1,765,674.09	43,735	1,765,674	10,227
School District Debt Service 2007	1,919,620	93,141	1,866,377.59	93,141	1,866,378	53,243
School District Debt Service 2008	2,029,325	1,859,887	1,859,887.00	1,859,887	1,859,887	169,438
Total School District Debt Service	19,600,628	2,016,545	19,356,832	2,016,545	19,356,832	243,797
<b>008 School Dist. Cap. Improvement - Res</b>						
School Dist. Cap. Improvement 1999	301,752	159	301,682.27	159	301,682	70
School Dist. Cap. Improvement 2000	341,544	98	341,420.62	98	341,421	123
School Dist. Cap. Improvement 2001	360,289	318	360,103.57	318	360,104	186
School Dist. Cap. Improvement 2002	372,479	147	372,238.17	147	372,238	241
School Dist. Cap. Improvement 2003	381,514	133	381,253.99	133	381,254	260
School Dist. Cap. Improvement 2004	397,799	489	397,363.68	489	397,364	435
School Dist. Cap. Improvement 2005	415,648	3,056	415,086.34	3,056	415,086	562
School Dist. Cap. Improvement 2006	437,953	10,786	435,431.34	10,786	435,431	2,522
School Dist. Cap. Improvement 2007	468,725	22,743	455,724.65	22,743	455,725	13,001
School Dist. Cap. Improvement 2008	486,008	445,429	445,428.57	445,429	445,429	40,579
Total School Dist. Cap. Improvement - Res	3,963,712	483,358	3,905,733	483,358	3,905,733	57,979

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	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year-End
<b>009 Gallup Branch College - Res</b>						
Gallup Branch College - Res 1999	112,403	59	112,376.41	59	112,376	26
Gallup Branch College - Res 2000	116,824	33	116,781.41	33	116,781	42
Gallup Branch College - Res 2001	123,151	109	123,087.60	109	123,088	64
Gallup Branch College - Res 2002	127,599	50	127,516.37	50	127,516	83
Gallup Branch College - Res 2003	130,767	46	130,677.65	46	130,678	89
Gallup Branch College - Res 2004	136,456	168	136,306.70	168	136,307	149
Gallup Branch College - Res 2005	423,524	3,114	422,948.98	3,114	422,949	575
Gallup Branch College - Res 2006	437,994	10,786	435,468.90	10,786	435,469	2,526
Gallup Branch College - Res 2007	468,765	22,743	455,760.55	22,743	455,761	13,004
Gallup Branch College - Res 2008	486,048	445,465	445,464.81	445,465	445,465	40,583
Total Gallup Branch College - Res	<u>2,563,530</u>	<u>482,572</u>	<u>2,506,389</u>	<u>482,572</u>	<u>2,506,389</u>	<u>57,140</u>
<b>010 Gallup Branch Debt Service</b>						
Gallup Branch Debt Service 1999	583,758	294	583,267.11	294	583,267	491
Gallup Branch Debt Service 2000	170,795	49	170,733.07	49	170,733	62
Gallup Branch Debt Service 2001	181,907	161	181,813.30	161	181,813	94
Gallup Branch Debt Service 2002	372,552	147	372,310.51	147	372,311	241
Gallup Branch Debt Service 2003	389,767	136	389,501.20	136	389,501	266
Gallup Branch Debt Service 2004	397,831	489	397,395.63	489	397,396	435
Gallup Branch Debt Service 2005	635,285	4,671	634,423.47	4,671	634,423	862
Gallup Branch Debt Service 2006	437,994	10,786	435,468.90	10,786	435,469	2,526
Gallup Branch Debt Service 2007	473,261	22,961	460,131.79	22,961	460,132	13,129
Gallup Branch Debt Service 2008	486,048	445,465	445,464.81	445,465	445,465	40,583
Total Gallup Branch Debt Service	<u>4,129,197</u>	<u>485,158</u>	<u>4,070,510</u>	<u>485,158</u>	<u>4,070,510</u>	<u>58,688</u>



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	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year-End
<b>011 Rehoboth Christian Hospital - Res</b>						
Rehoboth Christian Hospital 1999	301,799.91	159	301,729.78	159	301,730	70
Rehoboth Christian Hospital 2000	313,408.36	90	313,295.19	90	313,295	113
Rehoboth Christian Hospital 2001	181,907.13	161	181,813.30	161	181,813	94
Rehoboth Christian Hospital 2002	186,275.75	73	186,155.25	73	186,155	121
Rehoboth Christian Hospital 2003	190,791.09	67	190,660.85	67	190,661	130
Rehoboth Christian Hospital 2004	397,830.61	489	397,395.63	489	397,396	435
Rehoboth Christian Hospital 2005	423,523.65	3,114	422,948.98	3,114	422,949	575
Rehoboth Christian Hospital 2006	437,994.49	10,786	435,468.90	10,786	435,469	2,526
Rehoboth Christian Hospital 2007	468,764.83	22,743	455,760.55	22,743	455,761	13,004
Rehoboth Christian Hospital 2008	486,047.70	445,465	445,464.81	445,465	445,465	40,583
Total Rehoboth Christian Hospital - Res	<u>3,388,344</u>	<u>483,146</u>	<u>3,330,693</u>	<u>483,146</u>	<u>3,330,693</u>	<u>57,650</u>
<b>012 UNM-Gallup Special Vocational - Res</b>						
UNM-Gallup Special Vocational 1999	112,403	59	112,376.41	59	112,376	26
UNM-Gallup Special Vocational 2000	150,983	43	150,928.05	43	150,928	55
UNM-Gallup Special Vocational 2001	123,151	109	123,087.60	109	123,088	64
UNM-Gallup Special Vocational 2002	127,599	50	127,516.37	50	127,516	83
UNM-Gallup Special Vocational 2003	130,767	46	130,677.65	46	130,678	89
UNM-Gallup Special Vocational 2004	136,456	168	136,306.70	168	136,307	149
UNM-Gallup Special Vocational 2005	211,762	1,557	211,474.50	1,557	211,475	287
UNM-Gallup Special Vocational 2006	218,997	5,393	217,734.46	5,393	217,734	1,263
UNM-Gallup Special Vocational 2007	234,501	11,377	227,995.31	11,377	227,995	6,505
UNM-Gallup Special Vocational 2008	243,024	222,732	222,732.41	222,732	222,732	20,291
Total UNM Gallup Special Vocational -Res	<u>1,689,642</u>	<u>241,534</u>	<u>1,660,829</u>	<u>241,534</u>	<u>1,660,829</u>	<u>28,812</u>

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	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year-End
<b>013 Zuni School District Operation - Res</b>						
Zuni School District Operation 1999	6	(0)	6.33	(0)	6	-
Zuni School District Operation 2000	8	(0)	7.80	(0)	8	-
Zuni School District Operation 2001	11	0	11.39	0	11	-
Zuni School District Operation 2002	12	-	12.41	-	12	-
Zuni School District Operation 2003	13	-	12.69	-	13	-
Zuni School District Operation 2004	8	-	7.99	-	8	-
Zuni School District Operation 2005	10	-	9.70	-	10	1
Zuni School District Operation 2006	10	0	9.40	0	9	1
Zuni School District Operation 2007	10	-	9.06	-	9	1
Zuni School District Operation 2008	10	9	9.06	9	9	1
Total Zuni School District Operational - Res	99	9	96	9	96	3
<b>014 Zuni School District Debt Serv - Res</b>						
Zuni School District Debt Service 1999	58,486	30	56,990	30	56,990	1,496
Zuni School District Debt Service 2000	310	-	310	-	310	-
Zuni School District Debt Service 2001	-	-	-	-	-	-
Zuni School District Debt Service 2003	36	-	36	-	36	-
Zuni School District Debt Service 2004	48	0	48	0	48	-
Zuni School District Debt Service 2005	56	0	52	0	52	3
Zuni School District Debt Service 2006	60	(0)	55	(0)	55	5
Zuni School District Debt Service 2007	61	0	55	0	55	6
Zuni School District Debt Service 2008	55	50	50	50	50	5
Total Zuni School District Debt Service	59,112	80	57,597	80	57,597	1,515

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<b>015 Zuni School Dist Cap Improv - Res</b>						
Zuni School Dist Capital Improv. 1999	3,918	2	3,818.17	2	3,818	100
Zuni School Dist Capital Improv. 2000	46	(0)	45.51	(0)	46	-
Zuni School Dist Capital Improv. 2001	68	0	68.26	0	68	-
Zuni School Dist Capital Improv. 2002	72	-	72.34	-	72	-
Zuni School Dist Capital Improv. 2003	69	-	69.14	-	69	-
Zuni School Dist Capital Improv. 2004	32	-	31.95	-	32	-
Zuni School Dist Capital Improv. 2005	41	(0)	38.80	(0)	39	2
Zuni School Dist Capital Improv. 2006	41	-	37.56	-	38	4
Zuni School Dist Capital Improv. 2007	40	-	36.24	-	36	4
Zuni School Dist Capital Improv. 2008	40	36	36.24	36	36	4
Total Zuni School Dist Capital Improv - Res	4,368	38	4,254	38	4,254	114
<b>016 Zuni Public School</b>						
Zuni Public School 1999	966	1	941.40	1	941	25
Zuni Public School 2000	1,200	-	1,175.14	-	1,175	25
Total Zuni Public School	2,167	1	2,117	1	2,117	50
<b>019 Zuni School District Educ. Tech - Res</b>						
Zuni School District Educ. Tech 1999	6,505	3	6,338.16	3	6,338	166
Zuni School District Educ. Tech 2000	52	(0)	52.16	(0)	52	-
Zuni School District Educ. Tech 2001	450	1	450.05	1	450	-
Zuni School District Educ. Tech 2002	467	(0)	466.77	(0)	467	-
Zuni School District Educ. Tech 2003	474	(0)	474.45	(0)	474	-
Zuni School District Educ. Tech 2004	372	(0)	371.67	(0)	372	-
Zuni School District Educ. Tech 2005	300	-	282.90	-	283	17
Zuni School District Educ. Tech 2007	271	-	245.61	-	246	26
Zuni School District Educ. Tech 2008	177	161	160.70	161	161	17
Total Zuni School District Educ. Tech-Res	9,068	165	8,842	165	8,842	226

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<b>022 County Operational - Non Res</b>						
County Operational - Non Res 1999	4,938,375.34	2,445	4,933,022.60	2,445	4,933,023	5,353
County Operational - Non Res 2000	5,004,374.06	705	4,999,531.00	705	4,999,531	4,843
County Operational - Non Res 2001	4,561,325.22	571	4,554,263.42	571	4,554,263	7,062
County Operational - Non Res 2002	4,698,200.84	1,063	4,689,813.44	1,063	4,689,813	8,387
County Operational - Non Res 2003	4,496,503.08	1,227	4,489,473.08	1,227	4,489,473	7,030
County Operational - Non Res 2004	4,352,062.45	2,831	4,344,773.07	2,831	4,344,773	7,289
County Operational - Non Res 2005	4,781,749.53	10,635	4,775,490.77	10,635	4,775,491	6,259
County Operational - Non Res 2006	4,923,392.92	64,797	4,900,202.88	64,797	4,900,203	23,190
County Operational - Non Res 2007	5,320,042.32	223,579	5,267,805.42	223,579	5,267,805	52,237
County Operational - Non Res 2008	5,194,969.44	4,994,996	4,994,996.09	4,994,996	4,994,996	199,973
Total County Operational -Non Res	48,270,995	5,302,849	47,949,372	5,302,849	47,949,372	321,623
<b>024 Gallup Municipal Operational - Non Res</b>						
Gallup Municipal Operational-Non Res 1999	803,026	1,410	801,740.66	1,410	801,741	1,286
Gallup Municipal Operational-Non Res 2000	838,760	224	837,775.32	224	837,775	984
Gallup Municipal Operational-Non Res 2001	859,743	151	857,574.53	151	857,575	2,169
Gallup Municipal Operational-Non Res 2002	873,373	601	870,345.51	601	870,346	3,027
Gallup Municipal Operational-Non Res 2003	861,459	781	860,572.60	781	860,573	887
Gallup Municipal Operational-Non Res 2004	873,947	1,485	873,031.09	1,485	873,031	916
Gallup Municipal Operational-Non Res 2005	964,473	3,670	963,334.67	3,670	963,335	1,138
Gallup Municipal Operational-Non Res 2006	1,019,504	19,643	1,009,981.09	19,643	1,009,981	9,523
Gallup Municipal Operational-Non Res 2007	1,113,217	70,840	1,090,504.68	70,840	1,090,505	22,712
Gallup Municipal Operational-Non Res 2008	1,180,591	1,082,999	1,082,999.48	1,082,999	1,082,999	97,592
Total Gallup Municipal Operational - Non Res	9,388,094	1,181,803	9,247,860	1,181,803	9,247,860	140,234

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<b>026 School District Operational - Non Res</b>						
School District Operational-Non Res 1999	207,404	103	207,203.02	103	207,203	201
School District Operational-Non Res 2000	209,955	30	209,775.53	30	209,776	179
School District Operational-Non Res 2001	191,122	24	190,849.82	24	190,850	273
School District Operational-Non Res 2002	196,805	45	196,476.15	45	196,476	329
School District Operational-Non Res 2003	188,479	52	188,207.19	52	188,207	271
School District Operational-Non Res 2004	182,491	119	182,208.59	119	182,209	282
School District Operational-Non Res 2005	200,450	449	200,215.16	449	200,215	235
School District Operational-Non Res 2006	206,447	2,734	205,497.75	2,734	205,498	950
School District Operational-Non Res 2007	223,126	9,430	220,951.64	9,430	220,952	2,175
School District Operational-Non Res 2008	217,867	209,461	209,461.00	209,461	209,461	8,406
Total School District Operational - Non Res	<u>2,024,146</u>	<u>222,446</u>	<u>2,010,846</u>	<u>222,446</u>	<u>2,010,846</u>	<u>13,301</u>
<b>028 School Dist Cap Improv Non-Res</b>						
School Dist Cap Improv Non-Res 1999	829,615	411	828,812.06	411	828,812	803
School Dist Cap Improv Non-Res 2000	839,819	119	839,102.13	119	839,102	717
School Dist Cap Improv Non-Res 2001	764,490	96	763,399.18	96	763,399	1,091
School Dist Cap Improv Non-Res 2002	787,219	179	785,904.53	179	785,905	1,314
School Dist Cap Improv Non-Res 2003	753,914	207	752,828.72	207	752,829	1,085
School Dist Cap Improv Non-Res 2004	729,963	478	728,834.34	478	728,834	1,129
School Dist Cap Improv Non-Res 2005	801,801	1,795	800,860.61	1,795	800,861	941
School Dist Cap Improv Non-Res 2006	825,789	10,936	821,990.98	10,936	821,991	3,798
School Dist Cap Improv Non-Res 2007	892,506	37,719	883,806.53	37,719	883,807	8,699
School Dist Cap Improv Non-Res 2008	871,469	837,844	837,844.03	837,844	837,844	33,625
Total Dist Cap Improv Non-Res	<u>8,096,586</u>	<u>889,785</u>	<u>8,043,383</u>	<u>889,785</u>	<u>8,043,383</u>	<u>53,202</u>

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<b>029 Gallup Branch College - Non Res</b>						
Gallup Branch College - Non Res 1999	416,741	206	416,288.82	206	416,289	452
Gallup Branch College - Non Res 2000	422,310	59	421,901.35	59	421,901	409
Gallup Branch College - Non Res 2001	384,922	48	384,326.02	48	384,326	596
Gallup Branch College - Non Res 2002	396,473	90	395,764.85	90	395,765	708
Gallup Branch College - Non Res 2003	379,452	103	378,858.47	103	378,858	593
Gallup Branch College - Non Res 2004	367,263	239	366,647.53	239	366,648	615
Gallup Branch College - Non Res 2005	807,046	1,795	805,989.99	1,795	805,990	1,056
Gallup Branch College - Non Res 2006	830,952	10,936	827,038.45	10,936	827,038	3,914
Gallup Branch College - Non Res 2007	897,897	37,735	889,081.07	37,735	889,081	8,816
Gallup Branch College - Non Res 2008	876,788	843,037	843,037.32	843,037	843,037	33,751
Total Gallup Branch College - Non Res	<u>5,779,844</u>	<u>894,249</u>	<u>5,728,934</u>	<u>894,249</u>	<u>5,728,934</u>	<u>50,910</u>
<b>031 Rehoboth Christian Hospital-Non Res</b>						
Rehoboth Christian hospital - Non Res 1999	833,481	413	832,577.65	413	832,578	903
Rehoboth Christian hospital - Non Res 2000	844,620	119	843,802.71	119	843,803	817
Rehoboth Christian hospital - Non Res 2001	384,922	48	384,326.02	48	384,326	596
Rehoboth Christian hospital - Non Res 2002	396,473	90	395,764.85	90	395,765	708
Rehoboth Christian hospital - Non Res 2003	379,452	103	378,858.47	103	378,858	593
Rehoboth Christian hospital - Non Res 2004	734,525	478	733,295.02	478	733,295	1,230
Rehoboth Christian hospital - Non Res 2005	807,046	1,795	805,989.99	1,795	805,990	1,056
Rehoboth Christian hospital - Non Res 2006	830,952	10,936	827,038.45	10,936	827,038	3,914
Rehoboth Christian hospital - Non Res 2007	897,897	-	889,081.07	-	889,081	8,816
Rehoboth Christian hospital - Non Res 2008	876,788	843,037	843,037.32	843,037	843,037	33,751
Total Rehoboth Christian hospital - Non Res	<u>6,986,157</u>	<u>857,019</u>	<u>6,933,772</u>	<u>857,019</u>	<u>6,933,772</u>	<u>52,385</u>

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<b>032 UNM Gallup Special Vocational Non-Res</b>						
UNM Gallup Special Vocational Non-Res 1999	416,741	206	416,288.82	206	416,289	452
UNM Gallup Special Vocational Non-Res 2000	422,310	59	421,901.35	59	421,901	409
UNM Gallup Special Vocational Non-Res 2001	384,922	48	384,326.02	48	384,326	596
UNM Gallup Special Vocational Non-Res 2002	396,473	90	395,764.85	90	395,765	708
UNM Gallup Special Vocational Non-Res 2003	379,452	103	378,858.47	103	378,858	593
UNM Gallup Special Vocational Non-Res 2004	367,263	239	366,647.53	239	366,648	615
UNM Gallup Special Vocational Non-Res 2005	403,523	897	402,995.00	897	402,995	528
UNM Gallup Special Vocational Non-Res 2006	415,476	5,468	413,519.23	5,468	413,519	1,957
UNM Gallup Special Vocational Non-Res 2007	448,949	18,867	444,540.54	18,867	444,541	4,408
UNM Gallup Special Vocational Non-Res 2008	438,394	421,519	421,518.66	421,519	421,519	16,875
Total UNM Gallup Special Vocational Non-R	<u>4,073,502</u>	<u>447,498</u>	<u>4,046,360</u>	<u>447,498</u>	<u>4,046,360</u>	<u>27,141</u>
<b>061 Rio San Jose Flood Control - Res</b>						
Rio San Jose Flood Control - Res 1999	1,303	3	1,301.94	3	1,302	1
Rio San Jose Flood Control - Res 2000	1,424	(0)	1,423.11	(0)	1,423	1
Rio San Jose Flood Control - Res 2001	1,497	0	1,495.38	0	1,495	1
Rio San Jose Flood Control - Res 2002	1,563	0	1,562.07	0	1,562	1
Rio San Jose Flood Control - Res 2003	1,489	0	1,488.16	0	1,488	1
Rio San Jose Flood Control - Res 2004	1,418	6	1,416.94	6	1,417	1
Rio San Jose Flood Control - Res 2005	1,666	52	1,665.17	52	1,665	1
Rio San Jose Flood Control - Res 2006	1,751	120	1,747.23	120	1,747	4
Rio San Jose Flood Control - Res 2007	2,052	251	1,937.30	251	1,937	115
Rio San Jose Flood Control - Res 2008	2,129	1,773	1,772.53	1,773	1,773	356
Total Rio San Jose Flood Control - Res	<u>16,292</u>	<u>2,206</u>	<u>15,810</u>	<u>2,206</u>	<u>15,810</u>	<u>482</u>

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<b>062 Rio San Jose Flood Control Non-Res</b>						
Rio San Jose Flood Control Non-Res 1999	22,192	1	22,192.02	1	22,192	0
Rio San Jose Flood Control Non-Res 2000	21,506	0	21,506.04	0	21,506	0
Rio San Jose Flood Control Non-Res 2001	24,275	0	24,274.59	0	24,275	0
Rio San Jose Flood Control Non-Res 2002	23,511	0	23,508.20	0	23,508	2
Rio San Jose Flood Control Non-Res 2003	23,739	0	23,732.02	0	23,732	6
Rio San Jose Flood Control Non-Res 2004	24,356	5	24,347.69	5	24,348	9
Rio San Jose Flood Control Non-Res 2005	23,372	38	23,357.02	38	23,357	15
Rio San Jose Flood Control Non-Res 2006	24,767	48	24,732.37	48	24,732	35
Rio San Jose Flood Control Non-Res 2007	26,137	123	26,052.05	123	26,052	84
Rio San Jose Flood Control Non-Res 2008	26,842	26,396	26,396.36	26,396	26,396	445
Total Rio San Jose Flood Control Non-Res	<u>240,697</u>	<u>26,612</u>	<u>240,098</u>	<u>26,612</u>	<u>240,098</u>	<u>598</u>
<b>101 State Debt Service</b>						
State Debt Service 2000	645,712	91	645,087.17	91	645,087	625
State Debt Service 2001	679,387	85	678,335.43	85	678,335	1,052
State Debt Service 2002	445,239	101	444,443.92	101	444,444	795
State Debt Service 2003	576,767	157	575,864.90	157	575,865	902
State Debt Service 2004	377,546	246	376,913.64	246	376,914	632
State Debt Service 2005	497,948	1,107	497,295.83	1,107	497,296	652
State Debt Service 2006	536,380	7,059	533,853.35	7,059	533,853	2,526
State Debt Service 2007	548,166	23,037	542,784.00	23,037	542,784	5,382
State Debt Service 2008	547,993	526,989	526,989.31	526,989	526,989	21,003
Total State Debt Service	<u>4,855,137</u>	<u>558,873</u>	<u>4,821,568</u>	<u>558,873</u>	<u>4,821,568</u>	<u>33,569</u>



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<b>103 County Debt Service</b>						
County Debt Service 2000	384,302	54	383,930.24	54	383,930	372
County Debt Service 2001	408,017	51	407,385.57	51	407,386	632
County Debt Service 2002	492,815	112	491,935.70	112	491,936	880
County Debt Service 2003	45,914	13	45,841.87	13	45,842	72
County Debt Service 2004	917,055	597	915,518.86	597	915,519	1,536
County Debt Service 2005	474,140	1,055	473,519.12	1,055	473,519	621
County Debt Service 2006	483,199	6,359	480,922.87	6,359	480,923	2,276
County Debt Service 2007	475,437	19,981	470,768.43	19,981	470,768	4,668
County Debt Service 2008	356,414	342,695	342,694.66	342,695	342,695	13,720
Total County Debt Service	<u>4,037,293</u>	<u>370,915</u>	<u>4,012,517</u>	<u>370,915</u>	<u>4,012,517</u>	<u>24,776</u>
<b>105 Gallup Municipal Debt Services</b>						
Gallup Municipal Debt Services 2000	133,434	36	133,277.46	36	133,277	157
Gallup Municipal Debt Services 2001	132,951	23	132,615.77	23	132,616	335
Gallup Municipal Debt Services 2002	135,059	93	134,590.68	93	134,591	468
Gallup Municipal Debt Services 2003	244,925	222	244,672.60	222	244,673	252
Gallup Municipal Debt Services 2004	253,616	431	253,350.21	431	253,350	266
Gallup Municipal Debt Services 2005	286,171	1,089	285,833.06	1,089	285,833	338
Gallup Municipal Debt Services 2006	184,843	3,561	183,116.83	3,561	183,117	1,727
Gallup Municipal Debt Services 2007	335,347	21,340	328,504.68	21,340	328,505	6,842
Gallup Municipal Debt Services 2008	342,603	314,282	314,282.20	314,282	314,282	28,321
Total Gallup Municipal Debt Service	<u>2,048,949</u>	<u>341,077</u>	<u>2,010,243</u>	<u>341,077</u>	<u>2,010,243</u>	<u>38,705</u>

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<b>107 School District Debt Service</b>						
School District Debt Service 2000	3,352,139	475	3,349,276.11	475	3,349,276	2,863
School District Debt Service 2001	3,087,392	389	3,082,987.65	389	3,082,988	4,405
School District Debt Service 2002	3,179,971	725	3,174,661.39	725	3,174,661	5,309
School District Debt Service 2003	3,028,849	832	3,024,489.36	832	3,024,489	4,360
School District Debt Service 2004	2,941,022	1,925	2,936,473.61	1,925	2,936,474	4,549
School District Debt Service 2005	3,253,710	7,284	3,249,892.36	7,284	3,249,892	3,818
School District Debt Service 2006	3,348,576	44,347	3,333,173.50	44,347	3,333,174	15,402
School District Debt Service 2007	3,620,449	153,008	3,585,161.23	153,008	3,585,161	35,288
School District Debt Service 2008	3,638,817	3,498,418	3,498,417.71	3,498,418	3,498,418	140,400
Total District Debt Service	29,450,926	3,707,401	29,234,533	3,707,401	29,234,533	216,393
<b>110 Gallup Branch Debt Service</b>						
Gallup Branch Debt Service 2000	422,310	59	421,901.35	59	421,901	409
Gallup Branch Debt Service 2001	384,922	48	384,326.02	48	384,326	596
Gallup Branch Debt Service 2002	792,945	179	791,529.68	179	791,530	1,416
Gallup Branch Debt Service 2003	758,903	207	757,716.98	207	757,717	1,187
Gallup Branch Debt Service 2004	734,525	478	733,295.02	478	733,295	1,230
Gallup Branch Debt Service 2005	1,210,570	2,692	1,208,985.02	2,692	1,208,985	1,584
Gallup Branch Debt Service 2006	830,952	10,936	827,038.45	10,936	827,038	3,914
Gallup Branch Debt Service 2007	897,897	37,735	889,081.07	37,735	889,081	8,816
Gallup Branch Debt Service 2008	876,788	843,037	843,037.32	843,037	843,037	33,751
Total Gallup Branch Debt Service	6,909,813	895,373	6,856,911	895,373	6,856,911	52,903
<b>113 Zuni School District Oper Non-Res</b>						
Zuni School District Oper Non-Res 2001	1,339	(0)	1,313.21	(0)	1,313	25
Zuni School District Oper Non-Res 2002	1,432	0	1,406.29	0	1,406	25
Zuni School District Oper Non-Res 2003	1,247	(0)	1,222.06	(0)	1,222	25
Zuni School District Oper Non-Res 2004	1,140	-	1,115.17	-	1,115	25
Zuni School District Oper Non-Res 2005	1,227	0	1,200.28	0	1,200	27
Zuni School District Oper Non-Res 2006	1,291	(0)	1,261.87	(0)	1,262	29
Zuni School District Oper Non-Res 2007	1,348	4	1,318.63	4	1,319	29
Zuni School District Oper Non-Res 2008	1,330	1,298	1,298.32	1,298	1,298	32
Total Zuni School District Oper Non-Res	10,354	1,302	10,136	1,302	10,136	218

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<b>114 Zuni School District Debt Serv Non-Res</b>						
Zuni School Dist Debt Serv Non-Res 2000	32,706	(0)	32,022.68	(0)	32,023	683
Zuni School Dist Debt Serv Non-Res 2003	2,612	-	2,559.01	-	2,559	53
Zuni School Dist Debt Serv Non-Res 2004	6,859	-	6,706.64	-	6,707	152
Zuni School Dist Debt Serv Non-Res 2005	7,083	0	6,927.24	0	6,927	156
Zuni School Dist Debt Serv Non-Res 2006	7,574	(0)	7,404.63	(0)	7,405	170
Zuni School Dist Debt Serv Non-Res 2007	8,223	24	8,043.69	24	8,044	179
Zuni School Dist Debt Serv Non-Res 2008	7,317	7,143	7,143.37	7,143	7,143	173
Total Zuni School Dist Debt Serv Non-Res	<u>72,373</u>	<u>7,167</u>	<u>70,807</u>	<u>7,167</u>	<u>70,807</u>	<u>1,566</u>
<b>115 Zuni School Dist Cap Improv Non-Res</b>						
Zuni School Dist Cap Improv Non-Res 2000	4,801	-	4,700.58	-	4,701	100
Zuni School Dist Cap Improv Non-Res 2001	5,354	-	5,252.86	-	5,253	101
Zuni School Dist Cap Improv Non-Res 2002	5,726	(0)	5,625.15	(0)	5,625	101
Zuni School Dist Cap Improv Non-Res 2003	4,990	-	4,888.26	-	4,888	101
Zuni School Dist Cap Improv Non-Res 2004	4,562	-	4,460.68	-	4,461	101
Zuni School Dist Cap Improv Non-Res 2005	4,917	0	4,808.80	0	4,809	108
Zuni School Dist Cap Improv Non-Res 2006	5,163	(0)	5,047.47	(0)	5,047	116
Zuni School Dist Cap Improv Non-Res 2007	5,392	16	5,274.54	16	5,275	117
Zuni School Dist Cap Improv Non-Res 2008	5,319	5,193	5,193.29	5,193	5,193	126
Total Zuni School Dist Cap Improv Non-Res	<u>46,224</u>	<u>5,209</u>	<u>45,252</u>	<u>5,209</u>	<u>45,252</u>	<u>972</u>
<b>119 Zuni School Dist Educ Tech Non-Res</b>						
Zuni School Dist Educ Tech Non-Res 2000	5,502	-	5,386.87	-	5,387	115
Zuni School Dist Educ Tech Non-Res 2001	34,804	0	34,146.22	0	34,146	658
Zuni School Dist Educ Tech Non-Res 2002	36,950	0	36,296.32	0	36,296	653
Zuni School Dist Educ Tech Non-Res 2003	34,238	-	33,543.26	-	33,543	695
Zuni School Dist Educ Tech Non-Res 2004	53,073	-	51,895.57	-	51,896	1,178
Zuni School Dist Educ Tech Non-Res 2005	38,241	0	37,398.37	0	37,398	843
Zuni School Dist Educ Tech Non-Res 2007	36,543	107	35,748.24	107	35,748	795
Zuni School Dist Educ Tech Non-Res 2008	23,586	23,027	23,027.05	23,027	23,027	559
Total Zuni School Dist Educ Tech Non-Res	<u>262,937</u>	<u>23,134</u>	<u>257,442</u>	<u>23,134</u>	<u>257,442</u>	<u>5,495</u>

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<b>900 Corporate Non Ren Pen</b>						
Corporate Non Ren Pen 1999	96	-	96.38	-	96	-
Corporate Non Ren Pen 2000	871	-	870.56	-	871	-
Total Corporate Non Ren Pen	<u>967</u>	<u>-</u>	<u>967</u>	<u>-</u>	<u>967</u>	<u>-</u>
<b>951 Cattle Indemnity</b>						
Cattle Indemnity 1999	10,298	34	10,298.49	34	10,298	-
Cattle Indemnity 2000	11,410	19	11,409.97	19	11,410	-
Cattle Indemnity 2001	9,132	26	9,132.21	26	9,132	-
Cattle Indemnity 2002	9,991	21	9,953.69	21	9,954	38
Cattle Indemnity 2003	10,983	49	10,946.87	49	10,947	36
Cattle Indemnity 2004	11,454	19	11,453.63	19	11,454	-
Cattle Indemnity 2005	13,747	213	13,643.01	213	13,643	104
Cattle Indemnity 2006	18,691	253	18,502.02	253	18,502	189
Cattle Indemnity 2007	18,959	148	18,842.78	148	18,843	117
Cattle Indemnity 2008	12,501	12,199	12,198.68	12,199	12,199	303
Total Cattle Indemnity	<u>127,166</u>	<u>12,982</u>	<u>126,381</u>	<u>12,982</u>	<u>126,381</u>	<u>785</u>
<b>952 Sheep</b>						
Sheep 1999	407	2	406.86	2	407	-
Sheep 2000	250	0	250.18	0	250	-
Sheep 2001	250	0	250.18	0	250	-
Sheep 2002	262	1	262.40	1	262	-
Sheep 2003	216	1	216.43	1	216	-
Sheep 2004	247	1	246.97	1	247	-
Sheep 2005	282	1	282.25	1	282	-
Sheep 2006	176	2	176.10	2	176	-
Sheep 2007	145	2	144.86	2	145	-
Sheep 2008	145	144	144.23	144	144	1
Total Sheep	<u>2,381</u>	<u>154</u>	<u>2,380</u>	<u>154</u>	<u>2,380</u>	<u>1</u>

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<b>953 Goats</b>						
Goats 2000	24	-	24.20	-	24	-
Goats 2001	25	-	25.00	-	25	-
Goats 2002	38	-	37.50	-	38	-
Goats 2003	30	-	29.60	-	30	-
Goats 2004	28	-	28.00	-	28	-
Goats 2005	32	-	31.70	-	32	-
Goats 2006	16	1	16.00	1	16	-
Goats 2007	19	1	18.60	1	19	-
Goats 2008	59	59	58.80	59	59	-
Total Goats	269	60	269	60	269	-
<b>955 Hogs</b>						
Hogs 1999	0.10	0.10	0.10	0.10	0.10	-
Hogs 2001	0.10	0.10	0.10	0.10	0.10	-
Hogs 2002	0.10	0.10	0.10	0.10	0.10	-
Hogs 2003	0.50	-	0.50	-	0.50	-
Hogs 2004	0.10	0.10	0.10	0.10	0.10	-
Hogs 2005	0.30	0.30	0.30	0.30	0.30	-
Hogs 2006	0.40	0.40	0.40	0.40	0.40	-
Hogs 2007	0.30	0.30	0.30	0.30	0.30	-
Hogs 2008	1.80	1.80	1.80	1.80	1.80	-
Total Hogs	3.70	3.20	3.70	3.20	3.70	-
<b>956 Dairy</b>						
Dairy 1999	658	638	658.38	638	658	-
Dairy 2000	627	606	626.63	606	627	-
Dairy 2001	634	612	633.53	612	634	-
Dairy 2002	719	701	719.03	701	719	-
Dairy 2003	677	660	676.52	660	677	-
Dairy 2004	808	790	808.35	790	808	-
Dairy 2005	923	904	922.62	904	923	-
Dairy 2006	940	914	919.93	914	920	20
Dairy 2007	782	735	737.61	735	738	44
Total Dairy	6,766	6,560	6,703	6,560	6,703	64

## STATE OF NEW MEXICO

Schedule IIIA

## MCKINLEY COUNTY

## TAX RECONCILIATION - COLLECTIONS AND DISTRIBUTIONS

JUNE 30, 2009

	Property Taxes Levied	Collected in Current Year	Collected To-Date	Distributed in Current Year	Distributed To-Date	County Receivable at Year-End
<b>957 Bison</b>						
Bison 2003	34	1	34	1	34	-
Bison 2004	40	(0)	40	(0)	40	-
Total Bison	<u>74</u>	<u>0</u>	<u>74</u>	<u>0</u>	<u>74</u>	<u>-</u>
<b>980 DCLPEN</b>						
DCLPEN 1999	553	(0)	296	(0)	296	257
DCLPEN 2000	533	(0)	290	(0)	290	243
DCLPEN 2001	1,218	25	818	25	818	400
DCLPEN 2002	6,726	6	6,499	6	6,499	227
DCLPEN 2003	751	0	535	0	535	216
DCLPEN 2004	907	2	677	2	677	230
DCLPEN 2005	213	0	213	0	213	-
DCLPEN 2006	2,992	5	2,992	5	2,992	(0)
DCLPEN 2007	351	-	351	-	351	-
DCLPEN 2008	42	-	-	-	-	42
Total DCLPEN	<u>14,287</u>	<u>38</u>	<u>12,671</u>	<u>38</u>	<u>12,671</u>	<u>1,616</u>
<b>990 Tre Admin Fee</b>						
Tre Admin Fee 1999	410	362	410.40	362	410	-
Tre Admin Fee 2000	420	(2)	419.53	(2)	420	-
Tre Admin Fee 2001	444	3	444.04	3	444	-
Tre Admin Fee 2002	434	4	433.60	4	434	-
Tre Admin Fee 2003	440	4	439.73	4	440	-
Tre Admin Fee 2004	374	3	374.39	3	374	-
Tre Admin Fee 2005	513	3	512.54	3	513	-
Tre Admin Fee 2006	390	9	390.26	9	390	-
Tre Admin Fee 2007	343	28	343.36	28	343	-
Tre Admin Fee 2008	357	357	356.86	357	357	-
Total Tre Admin Fee	<u>4,125</u>	<u>771</u>	<u>4,125</u>	<u>771</u>	<u>4,125</u>	<u>-</u>
Grand Total	<u>195,913,441</u>	<u>23,161,253</u>	<u>194,015,123</u>	<u>23,161,253</u>	<u>194,015,123</u>	<u>1,898,317</u>

**STATE OF NEW MEXICO**  
**McKinley County**  
**Agency Funds**  
**Schedule of Changes In Assets and Liabilities**  
**For the Year Ended June 30, 2009**

## Schedule IV

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
<u>ASSETS</u>				
Cash	\$ 689,382	\$ 16,678,630	\$ 16,817,449	\$ 550,563
Taxes receivable	1,551,743	15,893,641	16,074,937	1,370,447
Total assets	<u>\$ 1,977,693</u>	<u>\$ 32,572,271</u>	<u>\$ 32,892,386</u>	<u>\$ 1,921,010</u>
<u>LIABILITIES</u>				
Due to other entities	\$ 2,241,125	\$ 32,572,271	\$ 32,892,386	\$ 1,921,010
Total liabilities	<u>\$ 1,977,693</u>	<u>\$ 32,572,271</u>	<u>\$ 32,892,386</u>	<u>\$ 1,921,010</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO  
MCKINLEY COUNTY  
JOINT POWERS AGREEMENTS  
June 30, 2009

<b>Other Participants with County</b>	<b>Responsible Party</b>	<b>Description</b>	<b>Beginning/Ending Dates</b>
Cibola County	McKinley County	Bluewater Acres Fire District	05/11/93 Infinite
City of Gallup/ Gallup McKinley Schools	All	Cooperative Procurement	3/22/2002 Infinite
City of Gallup	Both	Hazardous Materials Response	06/10/97 Infinite
Navajo Nation	McKinley County	Operation of Navajo Pines Fire Station	11/19/1991 Infinite
Cibola County	Both Parties	Provide Road Maintenance of Road Located in Other Party's County	04/01/02 Infinite
City of Gallup	City of Gallup	Operation of a Jail Facility	09/09/03 Infinite
City of Gallup/Village of Milan/Cibola County/Northwest New Mexico Solid Waste Disposal Authority	Northwest New Mexico Solid Waste Disposal Authority	Solid Waste Disposal Facility	5/8/95 - Infinite
Pueblo of Zuni	McKinley County	911 Emergency Services	9/1/05 - Infinite



**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**JOINT POWERS AGREEMENTS**  
June 30, 2009

<b>Other Participants with County</b>	<b>County Portion</b>	<b>County Contributions FYE 06/30/08</b>	<b>Audit Responsibility</b>
Cibola County	Unknown	Unknown	McKinley County
City of Gallup/ Gallup McKinley Schools	Unknown	Unknown	Purchasing Entity
City of Gallup	Unknown	Unknown	Both Parties
Navajo Nation	Unknown	Unknown	McKinley County
Cibola County	Unknown	Unknown	Both Parties
City of Gallup	\$600,000	Unknown	McKinley County
City of Gallup/Village of Milan/Cibola County/Northwest New Mexico Solid Waste Disposal Authority	Unknown	Unknown	Northwest New Mexico Solid Waste Disposal Authority
Pueblo of Zuni	Unknown	Unknown	McKinley County

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**JOINT POWERS AGREEMENTS**  
 June 30, 2009

<b>Other Participants with County</b>	<b>Fiscal Agent</b>	<b>Reporting Entity</b>
Cibola County	McKinley County	McKinley County
City of Gallup/ Gallup McKinley Schools	Purchasing Entity	Purchasing Entity
City of Gallup	McKinley County	McKinley County
Navajo Nation	McKinley County	McKinley County
Cibola County	Both Parties	Both Parties
City of Gallup	McKinley County	McKinley County
City of Gallup/Village of Milan/Cibola County/Northwest New Mexico Solid Waste Disposal Authority	Northwest New Mexico Solid Waste Disposal Authority	Northwest New Mexico Solid Waste Disposal Authority
Pueblo of Zuni	McKinley County	McKinley County

**COMPLIANCE SECTION**

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# Griego Professional Services, LLC

Certified Public Accountants

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

Hector Balderas  
New Mexico State Auditor  
The Board of McKinley County Commissioners  
McKinley County  
Gallup, New Mexico

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, consisting of the aggregate nonmajor governmental fund and the fiduciary fund in the fund financial statements, and the budgetary comparisons of the general and major special revenue funds. We have also audited the financial statements of each of McKinley County, New Mexico's (the "County") nonmajor governmental funds and all the budgetary comparisons presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated January 29, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered McKinley County, New Mexico'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 McKinley County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the proceeding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as described 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 of 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 misstatements 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 deficiencies described in the accompanying schedule of findings and questioned costs as items FS 07-03, FS 09-02, FS 09-04, and FS 09-06 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 presented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purposes 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, of the significant deficiencies described above, we consider item FS 07-03 to be a material weakness.

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether McKinley County, New Mexico's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items FS 07-03, FS 09-01, FS 09-03, FS 09-04, FS 09-05, FS 09-06, and FS 09-07.

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 commission, County management, the Office of the State Auditor, the New Mexico State Legislature and its committees, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Grigo Professional Services, LLC*

Albuquerque, New Mexico  
April 9, 2010

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**FEDERAL FINANCIAL ASSISTANCE**

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# Griego Professional Services, LLC

Certified Public Accountants

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

Hector Balderas  
New Mexico State Auditor  
The Board of McKinley County Commissioners  
McKinley County  
Gallup, New Mexico

### Compliance

We have audited the compliance of McKinley County, New Mexico (the "County"), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. McKinley County, New Mexico's major federal programs are identified in the summary of auditors' 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 McKinley County, New Mexico's management. Our responsibility is to express an opinion on McKinley County, New Mexico'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 assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about McKinley County, New Mexico's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of McKinley County, New Mexico's compliance with those requirements.

In our opinion, McKinley County, New Mexico, 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, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB A-133 and are described in the accompanying schedule of findings and questioned costs as items FA 09-01.

### Internal Control Over Compliance

The management of McKinley County, New Mexico, 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 McKinley County, New Mexico'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's internal control over compliance.

Our consideration of 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 as defined below. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency.

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A *control deficiency* in a County'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 County's ability to administer a federal program such that there more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more the inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be significant deficiency in internal control over financial reporting as items FA 09-01.

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 County's internal control.

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 audit committee, County commission, County management, others within the organization, the Office of the State Auditor, the New Mexico State Legislature and its committees, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Grigo Professional Services, LLC*

Albuquerque, New Mexico  
April 9, 2010

**STATE OF NEW MEXICO**  
 McKinley County  
 Schedule of Expenditures of Federal Awards  
 June 30, 2009

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Grant Number	Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Forest Reserve (1)	2008-2009	10.672	\$ 308,417
<b>Total U.S. Department of Housing and Urban Development</b>			<u>308,417</u>
<b>U.S. Department of Justice</b>			
Sheriff's Federal Grant OJP	2008-2009	16.579	48,380
Vest Program	2008-2009	16.607	<u>1,800</u>
<b>Total U.S. Department of Justice</b>			<u>50,180</u>
<b>U.S. Department of Transportation</b>			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	2008-2009	20.605	<u>179,893</u>
<b>Total U.S. Department of Transportation</b>			<u>179,893</u>
<b>Total Federal Financial Assistance</b>			<u><u>\$ 538,490</u></u>

(1) Denotes major program

**Notes to Schedule of Expenditures of Federal Awards**1. Basis of Presentation

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

2. Subrecipients

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

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

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 538,490
Total expenditures funded by other sources	<u>43,437,266</u>
Total expenditures	<u><u>43,975,756</u></u>

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2009**

**Section I – Summary of Audit Results***Financial Statements:*

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

*Federal Awards:*

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

4. Identification of major programs:

CFDA Number	Federal Program
10.672	Forest Reserve

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



**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2009**

Schedule VII

**Section II – Financial Statement Findings**

**FS 07-03 — Compliance with SAS 112**

*Condition:* The County's Finance Director terminated her employment with the County in September 2007. Her departure and the fact that the County has been unable to fill the position has left the County without an individual at the management level capable of taking responsibility for the preparation of the financial statements.

*Criteria:* SAS 112 requires that the management of a governmental agency maintain sufficient knowledge within the organization to take responsibility for the preparation of the financial statements.

*Effect:* The County does not have an individual in a management position capable of meeting the qualification of SAS 112 and to take responsibility for the preparation of the financial statements.

*Cause:* The County's Finance Director was the individual capable of preparing the financial statements in the absence of preparation by the independent public accountant. The Finance Director experienced health problems during the spring of 2007 and decided to move out-of-state in September 2007.

*Auditor's Recommendation:* We recommend that the County fill the Finance Director position as soon as possible with an individual who has qualifications to satisfy SAS 112. The County could also have current employees attend training to meet the SAS 112 qualifications.

*Management's Response:* McKinley County did fill the position of Finance Director on January 3, 2010 and hired Sara A. Keeler.

**FS 09-01 — Audit Report Not Submitted Timely**

*Condition:* The County's audit report for the year ended June 30, 2009 was not submitted to the State Auditor by the required due date, November 15, 2009.

*Criteria:* Audit reports not received on or before the due date, November 15, are considered to be in non-compliance with requirements of Section 2.2.2.9.A of the State Audit Rule.

*Effect:* The result was the late submission of the County's audit report for the year ended June 30, 2009.

*Cause:* Accounting records were not completed in time to ensure the submission of a timely audit report due to delays caused by a system upgrade.

*Auditors' Recommendations:* The County should ensure that their books of record are closed so that future reports can be submitted timely. The County is making efforts to ensure their reports are submitted timely in the future.

*Management's Response:* McKinley County purchased a new financial management hardware and software package from new World Systems. Since that time the County manager's Office, Finance, Procurement, and Personnel departments have been training and learning the new financial software programs and each department has experienced various problems with the conversion process. Most of the documentation and reports were made available; however, it did delay the County from submitting this information by the due date. The majority of the problems have been addressed and we should not have any problems in meeting the due date this year.

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2009**

Schedule VII

**FS 09-02 – Bank Reconciliations**

*Condition:* During the performance of audit procedures relating to cash and bank reconciliations, the following items were noted:

- There was an un-reconciled difference of \$111,882 between the bank statements and the general ledger.
- Due to a change in software and adjustments related to that change, the County's bank reconciliations did not appear to be prepared, finalized, and reviewed in a timely manner.

*Criteria:* Good accounting practices state that bank statements should be reconciled to the General Ledger monthly and on a timely basis. In addition, the McKinley County Accounting Manual states that "It is the responsibility of the Finance Department to reconcile all warrants, journal entries, budget adjustments, resolutions, and receipts to the General Ledger. Meetings are set up with the Chief Deputy Treasurer, as needed to ensure that all receipts are posted accurately and that disbursements and investments are recorded properly to each fund."

*Effect:* Reconciling cash accounts is essential to operational and management decisions. Delays in reconciling accounts may result in unnecessary adjustments which are not properly supported.

*Cause:* The cause is that the County Finance and Treasurer's offices are on different software packages. During 2009 both offices began using new software packages which caused delays in being able to reconcile the bank statements.

*Auditor's Recommendation:* We recommend that each bank statement be reconciled to the general ledger balances on a monthly basis and all supporting documentation be maintained.

*Management's Response:* Due to the new software programs purchased in the Treasurer's office and the office of the Manager, there were delays in reconciling the accounts. For the most part this has been corrected and we are currently reconciling on a monthly basis.

**FS 09-03 – Treasurer's Report Cash Reconciliation**

*Condition:* During the performance of audit procedures relating to cash reconciliations it was noted that the County's General Ledger and provided Trial Balance did not reconcile to the amount in the June 30, 2009 Treasurer's Report by the amount of \$361,927 after applying reconciling items (outstanding warrants).

*Criteria:* The McKinley County Accounting Manual states that "The County is required to prepare a Cash Reconciliation report reconciling the Treasurer's balances with balances in the Finance Department."

*Effect:* Reconciling Treasurer's and Finance Department balances is essential to operational and management decisions. Differences between the General Ledger and the Treasurer's Reports can lead to misstatements of the County's cash balances which could lead to problems maintaining adequate cash balances in the future.

*Cause:* The cause is that the County Finance and Treasurer's offices are on different software packages. During 2009 both offices began using new software packages which caused delays in being able to reconcile the Treasurer's Report and the General Ledger.

*Auditor's Recommendation:* We recommend that each month's Treasurer's Report should be reconciled to the General Ledger balances on supporting amounts be provided to reconcile any differences.

*Management's Response:* Due to the new software programs purchased in the Treasurer's office and the office of the Manager, there were delays in reconciling the accounts. For the most part this has been corrected and we are currently reconciling on a monthly basis.

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2009**

Schedule VII

**FS 09-04 – PERA & RHC Report Submissions**

*Condition:* For the year ended June 30, 2009 reports and submissions for PERA and RHC were not submitted to their corresponding association by the dates required by each association. As of the first date of audit fieldwork in August reports had only been filed through December 2008. In addition the amount of Retiree Healthcare submitted to the association per the County's reports did not tie to their general ledger accounts by over \$25,000.

*Criteria:* 10-7C-15-D NMSA 1978 states that RHC contributions should be remitted for a month by the 10<sup>th</sup> of the following month or interest will be compounded on the amounts due. 10-11-126-A NMSA 1978 states that PERA contributions shall be remitted to PERA in accordance with the schedules established by the association.

*Effect:* PERA and RHC reports and contributions were submitted late for the periods from January 2009 through June 2009. This resulted in interest charges that were accrued as a result of the payments being late, costing the County more money than normally necessary to pay these funds.

*Cause:* Reports were not submitted in a timely manner due to a change in the County's accounting software.

*Auditor Recommendation:* The Count must implement internal controls to ensure that PERA and RHC reports are calculated and recorded properly and amounts are remitted in a timely manner.

*Management Response:* McKinley County purchased a new financial management hardware and software package from New World System. Since that time the County Manager's Office, Finance, Procurement and Personnel Departments have been training and learning the new financial software programs and each Department has experienced various problems with the Conversion process. Most of the documentation and reports were made available however it did delay the County from submitting this information by the due date. The majority of the problems have been addressed and we should not have any problems in meeting this due date this year.

**FS 09-05 — Travel Expenditures**

*Condition:* During our test work of Travel, GPS noted the following:

- A travel expenditure had been paid for an employee's family member's airplane ticket. The employee was subsequently invoiced and reimbursed the county for the ticket.
- The reimbursement amount provided was credited to miscellaneous income instead of travel expenditures, overstating that expenditure account.

*Criteria:* Good accounting practices dictate that expenses incurred by the County for travel should be incurred only for County employees and elected officials.

*Effect:* The County's expenditures for travel are overstated and the County is at risk of not being reimbursed in the future if this practice continues. This practice increases the potential risk for fraudulent activity by employees possibly taking advantage of this practice.

*Cause:* Controls in place are not effectively designed to ensure that expenditures of County funds are being used for the sole purpose of County Business.

*Auditors' Recommendations:* We recommend the County cease allowing this sort of expenditure and subsequent reimbursement by employees.

*Management's Response:* This practice has been stopped immediately and notice has been given to all department heads and elected officials.

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2009**

Schedule VII

**FS 09-06 – Capital Asset Disposition**

*Condition:* During our testwork of capital asset dispositions, it was noted that there was a sale of surplus equipment by the county. The required notification was not sent to the State Auditor of the State of New Mexico at least 30 days before the sale.

*Criteria:* Per 13-6-1 B NMSA 1978 Prior to the disposition of any items of tangible personal property the governing body (school board) is required to give notification at least thirty days prior to making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action. A copy of the official finding and proposed disposition of the property sought to be disposed of shall be made a permanent part of the official minutes of the governing authority and maintained as a public record subject to the Inspection of Public Records Act.

*Effect:* The County is out of compliance with 13-6-1 NMSA 1978 with regard to the disposition of their surplus property. Not notifying the State Auditor of disposition of property puts the County at risk for misappropriation of assets.

*Cause:* The County did not make the notification to the State Auditor at least 30 days before the surplus sale.

*Recommendation:* We recommend that the County ensure that all future items removed from their capital asset listing be both approved by the County Commission as well as have notification sent to the State Auditor of the State of New Mexico at least thirty (30) days before such disposition.

*Management's Response:* Items listed in this finding were transferred or deleted because they became obsolete or unusable. They will be added to the next surplus sale with a letter to the state auditor.

**FS 09-07 — Budget Process**

*Condition:* The County overspent the budget in the following funds:

<u>Special Revenue Funds:</u>	Liquor Excise Tax	\$66,175
<u>Debt Service Funds:</u>	Law Enforcement Juvenile Detention Center	\$78,557

*Criteria:* The Authority by which the County can spend money is the Commission and the Department of Finance and Administration approved budget (Section 6-6-6; NMSA 1978). Per 2.2.2.10 P (1) NMAC this over expenditure of funds must be reported in an audit finding.

*Effect:* The County is in violation of applicable laws, regulations and policies established by the State, County and Department of Finance and Administration.

*Cause:* The County failed to obtain budget amendments for the funds that were over-expended or not budgeted for.

*Auditors' Recommendations:* We recommend that the County establish policies and procedures to ensure all expenditures are budgeted for and funds are not over-expended.

*Management's Response:* McKinley County purchased a new software program in the middle of the fiscal year in which the conversion was suppose to transfer the budgeted amounts from the old software program. Because the conversion cannot be done, these amounts were omitted or put into the new system incorrectly. This has been corrected in the New World System.

**STATE OF NEW MEXICO**  
**MCKINLEY COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2009**

Schedule VII

**Section III – Federal Award Findings**

**FA 09-01--Audit Report Submission of Data Collection Form and Reporting Package**

Federal program information:

Funding agency:	All
Title:	All
CFDA number:	All

*Condition:* The June 30, 2009 data collection form and reporting package were not submitted to the Federal Audit Clearinghouse by the required date of March 31, 2010.

*Criteria:* OMB Circular A-133 requires that the audit shall be completed and the data collection form and reporting package shall be submitted to the Federal Audit Clearinghouse within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

*Questioned Costs:* None.

*Effect:* The result was the late submission of the County's audit report for the year ended June 30, 2009, and the County is not in compliance with Federal and State requirements.

*Cause:* The County did not provide a trial balance timely so that the audit could be completed by November 15, 2009. The County changed accounting software at the beginning of 2009 and there were associated delays that caused a delay in the audit and financial statement process.

*Auditor's Recommendation:* The County must ensure maintenance of appropriate maintenance of records and information systems to ensure that the audit process can be completed successfully.

*Management's Response:* McKinley County purchased a new financial management hardware and software package from new World Systems. Since that time the County manager's Office, Finance, Procurement, and Personnel departments have been training and learning the new financial software programs and each department has experienced various problems with the conversion process. Most of the documentation and reports were made available; however, it did delay the County from submitting this information by the due date. The majority of the problems have been addressed and we should not have any problems in meeting the due date this year.

**Section IV – Prior Year Audit Findings**

FS 07-03 – Compliance with SAS 112. Repeated  
FS 08-01 – Internal Control Deficiencies. Resolved

**Section V – Other Disclosures**

Auditor Prepared Financials

The financial statements presented in this report were prepared by the auditors, Griego Professional Services, LLC.

Exit Conference

The contents of this report were discussed on April 19, 2010. The following individuals were in attendance.

McKinley County  
Tom Trujillo, County Manager  
David Dallago, Commissioner  
Sara Keeler, Finance Director  
Douglas W. Decker, County Attorney  
Shannon Chaidez, Payroll

Griego Professional Services, LLC  
J.J. Griego, CPA  
Ben Martinez