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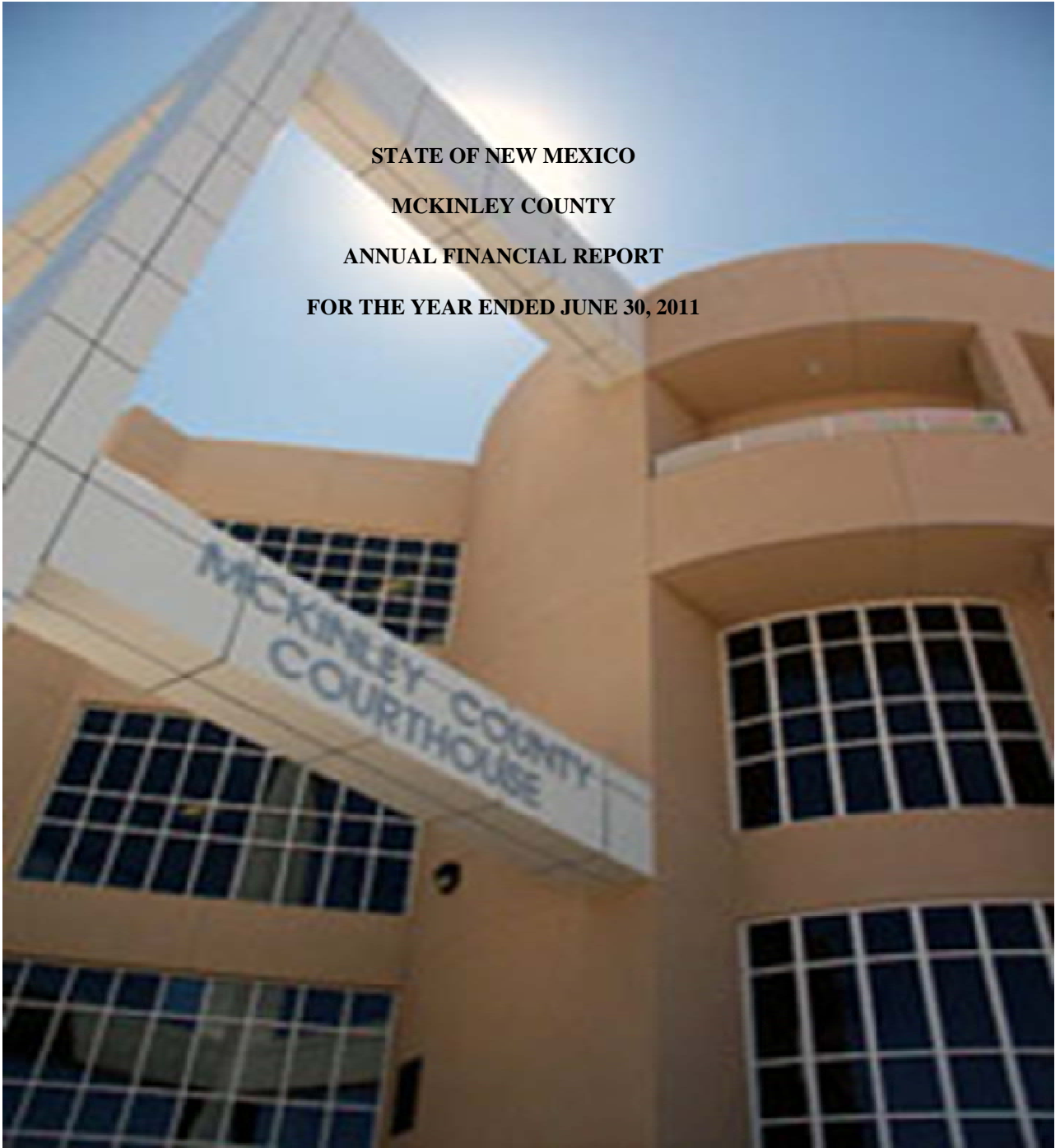
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Certified Public Accountants

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



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



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## **INTRODUCTORY SECTION**

**STATE OF NEW MEXICO**  
 McKinley County  
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**STATE OF NEW MEXICO**

McKinley County

Official Roster

June 30, 2011

<u>Name</u>	<u>Elected Officials</u>	<u>Title</u>
Carol Bowman-Muskett		County Commissioner - Chairman
David R. Dallago, Jr.		County Commissioner
Genevive Jackson		County Commissioner
Jacqueline Sloan		County Clerk
Richard Bowman		County Treasurer
Phillip Gutierrez		County Assessor
Felix Begay		County Sheriff
Tommy Nelson		County Probate Judge

	<u>Administrative Officials</u>	
Richard Kontz		County Manager
Sara A. Keeler		Finance Director
Josephine Alonzo		Chief Deputy Treasurer
Douglas W. Decker		County Attorney

**FINANCIAL SECTION**





**Accounting & Consulting Group, LLP**  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparisons for the General Fund and major special revenue funds, and the aggregate remaining fund information of McKinley County, New Mexico (the County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's nonmajor governmental funds and the budgetary comparisons for the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011 as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of McKinley County, as of June 30, 2011, 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 the County, as of June 30, 2011, and the respective changes in financial position thereof, and the budgetary comparisons for the remaining nonmajor governmental 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 our report dated November 8, 2011 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

The *Management's Discussion and Analysis* presented on pages 10 through 16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements, the combining and individual fund statements and the budgetary comparisons. The accompanying financial information listed as Supporting Schedules I through V in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the County. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and each of the nonmajor governmental fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements and nonmajor governmental funds financial statements, taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
November 8, 2011

**STATE OF NEW MEXICO**  
McKinley County  
Management's Discussion and Analysis  
June 30, 2011

As management of McKinley County (the County), we offer readers of McKinley County financial statements this narrative overview and analysis of the financial activities of McKinley County for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the financial statements of McKinley County and additional information provided.

**Financial Highlights**

- The assets of McKinley County exceeded its liabilities at the close of the most recent fiscal year by \$102,841,612 (*net assets*). Of this amount, \$21,152,257 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.
- Change in net assets for the year end was \$4,944,841. The increase is primarily due to an increase in property tax revenue.
- At the end of the current fiscal year, fund balance for the general fund was \$21,939,397 or 207 percent of total general fund expenditures.

**Overview of the Financial Statements**

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

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

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

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

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

The government-wide financial statements can be found at Exhibits A-1 and A-2 of this report.

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

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June 30, 2011

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

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

McKinley County maintains 43 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General fund, Road fund, Indigent Health Care fund, and all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

The basic governmental fund financial statements can be found at Exhibits B-1 and B-2 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support McKinley County's own programs.

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

The Statement of Fiduciary Assets and Liabilities- Agency Funds can be found at Exhibit D-1 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 36-57 of this report.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 62-129 of this report.

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 Management's Discussion and Analysis  
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**Government-wide Financial Analysis**

Since this is the fourth year to report all activities on the accrual basis of accounting, a detailed comparison to the prior year is presented.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of McKinley County, assets exceeded liabilities by \$102,841,612 and \$95,572,659 at the close of the fiscal years ended June 30, 2011 and June 30, 2010, respectively. The County also had revenues that exceeded expenditures during the year in the amount of \$4,944,841 which increased net assets in the current year.

A large portion of the County's net assets (39 percent) reflects its investment in capital assets (e.g., land, buildings, other improvements, infrastructure and furniture and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion (\$41,380,129) of McKinley County's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$21,152,257) may be used to meet the government's ongoing obligations to citizens and creditors.

McKinley County is able to report positive balances in all three categories (Invested in capital assets, net of related debt, Restricted, and Unrestricted) of net assets, for the government as a whole as of June 30, 2011.

**McKinley County's Net Assets  
 June 30, 2011**

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 65,862,363	\$ 52,925,720
Capital assets	67,454,226	66,490,816
	<hr/>	<hr/>
Total assets	133,316,589	119,416,536
	<hr/>	<hr/>
Current Liabilities	4,291,736	2,406,143
Non-current liabilities	26,183,241	21,437,734
	<hr/>	<hr/>
Total liabilities	30,474,977	23,843,877
	<hr/>	<hr/>
Net assets:		
Invested in capital assets, net of related debt	40,309,226	44,595,816
Restricted for:		
Debt service	3,716,999	1,579,192
Capital projects	15,561,104	6,841,057
Other Purpose- special revenue	22,102,026	-
Unrestricted	21,152,257	42,556,594
	<hr/>	<hr/>
Total net assets	\$ 102,841,612	\$ 95,572,659
	<hr/>	<hr/>

**STATE OF NEW MEXICO**  
**McKinley County**  
**Management's Discussion and Analysis**  
**June 30, 2011**

**Changes in Net Assets**

The County's total revenues of \$42,981,804 and program expenses of \$38,036,963 resulted in a change in net assets of \$4,944,841. The County incurred an increase in capital outlay expenditures over the prior year. The County also maintained favorable budget to actual expenditure variances. While comparing balances from current year to the prior year, the accounts may vary due to the prior year auditor grouping accounts differently than the County grouped them in current year.

This section contains a condensed comparison of revenues and expenditures and explanations for significant differences. The table shows the summarized revenues and expenditures for the years ended June 30, 2011 and June 30, 2010.

**McKinley County's Change in Net Assets**  
**June 30, 2011**

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Program revenues:		
Charges for service	\$ 6,274,769	\$ 3,604,014
Operating grants and contributions	9,494,602	10,003,859
Capital grants and contributions	385,200	3,869,901
General revenues:		
Property taxes, levied for general purposes	7,222,612	7,448,828
Gross receipts taxes	14,823,968	18,022,186
Gasoline and motor vehicle	972,460	576,014
Other	1,462,740	12,471
Payments in lieu of taxes	1,710,670	1,797,849
Interest income	339,808	545,268
Miscellaneous income	1,016,118	641,705
Loss on disposal of capital assets	(94,073)	(183,940)
Special item - transfer to agency fund	(627,070)	-
	<u>42,981,804</u>	<u>46,338,155</u>
Program expenses:		
General government	\$ 7,414,272	7,517,618
Public safety	16,107,390	15,940,821
Public works	7,012,391	7,220,473
Culture and recreation	2,800	72,974
Health and welfare	6,340,864	4,496,171
Interest on long-term debt	1,159,246	1,039,218
	<u>38,036,963</u>	<u>36,287,275</u>
	<u>\$ 4,944,841</u>	<u>\$ 10,050,880</u>

**STATE OF NEW MEXICO**  
McKinley County  
Management's Discussion and Analysis  
June 30, 2011

**Financial Analysis of the Government's Funds**

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

The focus of McKinley County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing McKinley County's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, McKinley County's governmental funds reported combined ending fund balances of \$62,116,294, an increase of \$11,353,377 in comparison with the prior year. Approximately 1 percent of this total amount, \$489,702, constitutes *unassigned fund balance*, which is available for spending at the government's discretion, and 99 percent of this total amount, \$61,626,592, is *restricted or committed for budgeted items in the major and non-major special revenue funds*.

The general fund is the chief operating fund of McKinley County. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$489,702, while total fund balance was \$21,939,397. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 5 percent of total general fund expenditures, while total fund balance represents 207 percent of that same amount. Fund balance of McKinley County's general fund decreased by (993,697) during the current fiscal year. The decrease is due to transfers out of the general fund and into other funds.

The Road Funds has total fund balances of \$2,976,403. At the end of the current fiscal year, *unassigned* fund balance of the Road fund was \$0. The net increase in fund balance during the current year in the Road fund was \$1,351,913. This increase is due primarily to a transfer from the General fund for matching funds for road projects.

The Indigent Health Care Fund has a total fund balance of \$994,667. At the end of the current fiscal year, *unassigned* fund balance of the Indigent Health Care Fund was \$0. The net decrease in fund balance during the current year in the Indigent Health Care fund was (\$701,212). This decrease is due primarily to an increase in indigent health care claims.

**Budgetary Highlights**

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

GASB 34 does not require a statement presenting the overall result of the budget for each year; however, all major budgetary funds are required to be reported as a separate statement.

The total variation in budgeted expenditures from the original and final budgets in the general fund was \$102,474. The increase was mainly due to a budget increase to normal County activities. Actual expenditures in the general fund were lower than final budgeted expenditures by \$3,733,468.

The following table examines the summary budget performance of the major and aggregate non-major funds for the fiscal year ending June 30, 2011. Detail budget performance is reported in the budgetary comparison statements for each major fund and the statements of revenues and expenditures budget and actual for the non-major funds.

**STATE OF NEW MEXICO**  
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 June 30, 2011

**Fund Expenditure Budget Performance**

	<u>Final Budget</u>	<u>Actual on Cash (Budgetary) Basis</u>	<u>Favorable (Unfavorable) Variance</u>
General Fund	\$ 14,206,258	\$ 10,472,790	\$ 3,733,468
Road Fund	7,455,876	3,728,236	3,727,640
Indigent Health Care Fund	4,404,850	3,864,617	540,233
Other Governmental Funds	<u>42,298,979</u>	<u>19,648,027</u>	<u>22,650,952</u>
 Total for Governmental Funds	 <u>\$ 68,365,963</u>	 <u>\$ 37,713,670</u>	 <u>\$ 30,652,293</u>

The County amends its budget during the year in response to unexpected changes in its operating environment. The original and final budgets are reported and can be examined in the budgetary comparison statements for each major fund and the statements of revenues and expenditures budget and actual for the non-major funds. The County was very disciplined this year with regards to spending and this was the reason for the favorable variances.

**Capital Asset and Debt Administration**

**Capital Assets**

McKinley County's investment in capital assets for its governmental activities as of June 30, 2011, amounts to \$67,454,226 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, equipment, infrastructure, and other improvements. The table below shows the summarized capital assets of McKinley County as of June 30, 2011 and June 30, 2010.

**McKinley County's Capital Assets, Net of Depreciation  
 June 30, 2011**

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Property, plan and equipment		
Land	\$ 3,661,916	\$ 3,661,916
Constuction in progress	771,190	199,190
Infrastructure	27,766,389	27,766,389
Land improvements	4,080,323	3,806,722
Buildings and improvements	55,365,943	53,790,374
Vehicles and rolling stock	18,975,581	17,432,001
Machinery, equipment, & Other	<u>6,438,872</u>	<u>6,413,466</u>
 Total property, plant and equipment	 <u>117,060,214</u>	 <u>113,070,058</u>
 Less: accumulated depreciation	 <u>(49,605,988)</u>	 <u>(46,579,242)</u>
 of accumulated depreciation	 <u>\$ 67,454,226</u>	 <u>\$ 66,490,816</u>



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The County recognized \$3,659,390 in depreciation expense during the year. Additional information on McKinley County's capital assets can be found in the notes to the financial statements.

The County had several commitments to construction companies at June 30, 2011. Additional information on McKinley County's commitments can be found in the note 13 of the financial statements.

**Long-term debt**

At June 30, 2011, McKinley County had total gross receipt revenue bonds outstanding of \$27,145,000, which is secured by pledged gross receipts tax revenues. McKinley County also has post-closure debt of \$158,000, which is restricted cash in the EGRT fund.

**McKinley County's Outstanding Debt  
 June 30, 2011**

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Gross Receipts Revenue Bonds	\$ 27,145,000	\$ 21,895,000
NMFA Loans	158,000	188,000
Compensated Absences	445,357	638,052
	<u>                    </u>	<u>                    </u>
Total outstanding debt	<u>\$ 27,748,357</u>	<u>\$ 22,721,052</u>

The County reduced bonds payable by their principal payment of \$1,195,000. Additional information on McKinley County's long-term debt can be found in the notes to the financial statements.

**Economic Factor and Next Year's Budgets and Rates**

- Inflationary trends in the region compare favorably to national indices.

This factor was considered in preparing McKinley County's budget for the 2012 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to \$489,702. It is intended that the use of this available fund balance will avoid the need to raise taxes or charges during the 2012 fiscal year.

**Request for Information**

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

**BASIC  
FINANCIAL STATEMENTS**

**STATE OF NEW MEXICO**

McKinley County  
Statement of Net Assets  
June 30, 2011

	<u>Governmental Activities</u>
<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 18,708,557
Investments	39,824,180
Receivables:	
Property taxes	933,914
Other taxes	1,303,119
Other receivables	1,871,390
	<u>62,641,160</u>
Total current assets	
Noncurrent assets	
Restricted cash and cash equivalents	2,379,585
Bond issuance costs (net of accumulated amortization of \$254,866)	732,449
Bond underwriter discount (net of accumulated amortization of \$37,656)	109,169
Capital assets	117,060,214
Less: accumulated depreciation	<u>(49,605,988)</u>
Total noncurrent assets	<u>70,675,429</u>
Total assets	<u><u>\$ 133,316,589</u></u>

The accompanying notes are an integral part of these financial statements

	<u>Governmental Activities</u>
<b>Liabilities</b>	
Current liabilities	
Accounts payable	\$ 2,006,784
Accrued payroll	394,466
Accrued interest	100,129
Current portion of accrued compensated absences	445,357
Current portion of landfill closure and postclosure costs	30,000
Current portion of bonds payable	<u>1,315,000</u>
Total current liabilities	<u>4,291,736</u>
Noncurrent liabilities	
Landfill closure and postclosure costs	128,000
Bond underwriter premium (net of accumulated amortization of \$8,580)	225,241
Bonds payable	<u>25,830,000</u>
Total noncurrent liabilities	<u>26,183,241</u>
Total liabilities	<u>30,474,977</u>
<b>Net assets</b>	
Invested in capital assets, net of related debt	40,309,226
Restricted for:	
Debt service	3,716,999
Capital projects	15,561,104
Other purposes - special revenue	22,102,026
Unrestricted	<u>21,152,257</u>
Total net assets	<u>102,841,612</u>
Total liabilities and net assets	<u>\$ 133,316,589</u>

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**STATE OF NEW MEXICO**  
 McKinley County  
 Statement of Activities  
 For the Year Ended June 30, 2011

Exhibit A-2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government</b>					
General government	\$ 7,414,272	\$ 6,274,769	\$ 960,685	\$ -	\$ (178,818)
Public safety	16,107,390	-	8,533,917	-	(7,573,473)
Public works	7,012,391	-	-	385,200	(6,627,191)
Culture and recreation	2,800	-	-	-	(2,800)
Health and welfare	6,340,864	-	-	-	(6,340,864)
Interest on long-term debt	1,159,246	-	-	-	(1,159,246)
<i>Total governmental activities</i>	<u>\$ 38,036,963</u>	<u>\$ 6,274,769</u>	<u>\$ 9,494,602</u>	<u>\$ 385,200</u>	(21,882,392)

**General revenues and special item:**

Taxes:

Property	7,222,612
Gross Receipts	14,823,968
Gasoline and motor vehicle	972,460
Other	1,462,740
Payment in lieu of taxes	1,710,670
Investment income	339,808
Miscellaneous income	1,016,118
Loss on disposal of capital assets	(94,073)
Special item- transfer to agency fund	(627,070)
Total general revenues and special item	<u>26,827,233</u>
Change in net assets	4,944,841
Net assets - beginning	95,572,659
Net assets - restatement (Note 16)	<u>2,324,112</u>
Net assets - as restated	<u>97,896,771</u>
Net assets - ending	<u>\$ 102,841,612</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**

McKinley County

Balance Sheet

Governmental Funds

June 30, 2011

	<u>General Fund</u>	<u>Road Fund</u>	<u>Indigent Health Care Fund</u>
<i>Assets</i>			
Cash and cash equivalents	\$ 9,312,621	\$ 259,089	\$ 888,967
Investments	11,609,677	3,100,000	99,302
Receivables:			
Property taxes	925,136	-	-
Other taxes	157,669	97,372	127,601
Other receivables	44,118	448,429	63,774
Due from other funds	<u>724,057</u>	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 22,773,278</u>	<u>\$ 3,904,890</u>	<u>\$ 1,179,644</u>
<i>Liabilities and fund balances</i>			
<i>Liabilities</i>			
Accounts payable	\$ 163,506	\$ 895,603	\$ 184,977
Accrued payroll	176,301	32,884	-
Accrued compensated absences	-	-	-
Deferred revenue	494,074	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>833,881</u>	<u>928,487</u>	<u>184,977</u>
<i>Fund balances</i>			
<i>Spendable</i>			
<i>Restricted for:</i>			
General county operations	20,449,695	-	-
Maintenance of roads	-	2,976,403	-
Fire departments	-	-	-
Public safety	-	-	-
Healthcare	-	-	994,667
Capital projects expenditures	1,000,000	-	-
Debt service expenditures	-	-	-
<i>Committed to:</i>			
Corrections facility	-	-	-
Senior center	-	-	-
Unassigned	<u>489,702</u>	<u>-</u>	<u>-</u>
<i>Total fund balances</i>	<u>21,939,397</u>	<u>2,976,403</u>	<u>994,667</u>
<i>Total liabilities and fund balances</i>	<u>\$ 22,773,278</u>	<u>\$ 3,904,890</u>	<u>\$ 1,179,644</u>

The accompanying notes are an integral part of these financial statements

Other Governmental Funds	Total
\$ 10,627,465	\$ 21,088,142
25,015,201	39,824,180
8,778	933,914
920,477	1,303,119
1,315,069	1,871,390
-	724,057
\$ 37,886,990	\$ 65,744,802
\$ 762,698	\$ 2,006,784
185,281	394,466
816	816
8,311	502,385
724,057	724,057
1,681,163	3,628,508
8,274,523	28,724,218
-	2,976,403
2,306,310	2,306,310
3,805,344	3,805,344
2,939,786	3,934,453
16,634,838	17,634,838
1,279,337	1,279,337
941,983	941,983
23,706	23,706
-	489,702
36,205,827	62,116,294
\$ 37,886,990	\$ 65,744,802



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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, 2011

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund balances - total governmental funds	\$	62,116,294
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		67,454,226
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		502,385
Current portion of accrued compensated absences due and payable at year end		816
Other noncurrent assets are not available to pay for current period expenditures and therefore, are deferred in the funds:		
Bond issuance costs		732,449
Other liabilities are not due and payable with current financial resources and, therefore are not reported in the funds		
Accrued interest payable		(100,129)
Bond underwriter premium		(225,241)
Current portion of accrued compensated absences not due and payable at year end		(445,357)
Bond underwriter discount		109,169
Current portion of the landfill closure and postclosure costs		(30,000)
Certain liabilities that are not due and payable in the current period and, therefore, are not reported in the funds:		
Bonds payable		(27,145,000)
Landfill closure and postclosure costs		(128,000)
		(28,273,000)
Net assets - governmental activities	\$	102,841,612

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 Ended June 30, 2011

	<u>General Fund</u>	<u>Road Fund</u>	<u>Indigent Health Care Fund</u>
<i>Revenues:</i>			
Taxes:			
Property	\$ 7,612,749	\$ -	\$ -
Gross receipts	2,495,330	577,166	1,859,366
Gasoline and motor vehicle taxes	356,667	615,793	-
Other	15,641	-	-
Intergovernmental:			
Federal operating grants	1,007	230,767	-
State operating grants	71,554	2,542,525	-
State capital grants	-	-	-
Payment in lieu of taxes	1,710,670	-	-
Charges for services	199,159	-	1,500,000
Investment income	338,224	-	1,584
Miscellaneous	176,723	357	19,969
<i>Total revenues</i>	<u>12,977,724</u>	<u>3,966,608</u>	<u>3,380,919</u>
<i>Expenditures:</i>			
Current:			
General government	5,855,646	-	-
Public safety	4,319,219	-	-
Public works	-	4,580,302	-
Culture and recreation	-	-	-
Health and welfare	230,618	-	3,980,131
Capital outlay	210,299	34,393	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	-	-
<i>Total expenditures</i>	<u>10,615,782</u>	<u>4,614,695</u>	<u>3,980,131</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,361,942</u>	<u>(648,087)</u>	<u>(599,212)</u>
<i>Other financing sources (uses)</i>			
Loan proceeds	-	-	-
Bond premiums	-	-	-
Proceeds from sale of equipment	361	-	-
Transfers in	102,000	2,000,000	-
Transfers (out)	(3,458,000)	-	(102,000)
<i>Total other financing sources (uses)</i>	<u>(3,355,639)</u>	<u>2,000,000</u>	<u>(102,000)</u>
<i>Net change in fund balance</i>	(993,697)	1,351,913	(701,212)
<i>Fund balance - beginning of year</i>	22,933,094	1,624,490	1,695,879
<i>Fund balance - restatement</i>	-	-	-
<i>Fund balance - as restated</i>	<u>22,933,094</u>	<u>1,624,490</u>	<u>1,695,879</u>
<i>Fund balance - end of year</i>	<u>\$ 21,939,397</u>	<u>\$ 2,976,403</u>	<u>\$ 994,667</u>

The accompanying notes are an integral part of these financial statements

Other Governmental Funds	Total
\$ 12,971	\$ 7,625,720
9,892,106	14,823,968
-	972,460
1,447,099	1,462,740
585,660	817,434
6,063,089	8,677,168
385,200	385,200
-	1,710,670
4,575,610	6,274,769
-	339,808
819,069	1,016,118
<u>23,780,804</u>	<u>44,106,055</u>
1,139,236	6,994,882
9,968,018	14,287,237
1,312,210	5,892,512
2,800	2,800
2,053,658	6,264,407
2,566,068	2,810,760
1,195,000	1,195,000
1,133,165	1,133,165
178,821	178,821
<u>19,548,976</u>	<u>38,759,584</u>
<u>4,231,828</u>	<u>5,346,471</u>
6,445,000	6,445,000
233,821	233,821
-	361
5,084,301	7,186,301
(4,253,371)	(7,813,371)
<u>7,509,751</u>	<u>6,052,112</u>
11,741,579	11,398,583
24,509,454	50,762,917
(45,206)	(45,206)
<u>24,464,248</u>	<u>50,717,711</u>
<u>\$ 36,205,827</u>	<u>\$ 62,116,294</u>

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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 Ended June 30, 2011

Exhibit B-2

Page 2 of 2

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

Net change in fund balances - total governmental funds	\$	11,398,583
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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		2,810,760
Depreciation expense		(3,659,390)
Loss on sale of assets reported on statement of activities		(94,073)
Proceeds from sale of equipment reported on statement of activities		(361)

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

Change in deferred revenue related to property taxes receivable		(403,108)
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Expenses in the Statement of Activities that do not consume current financial resources are not reported as expenditures in the funds:

Decrease in accrued compensated absences		192,695
Accrued compensated absences due and payable recorded in funds		816
Current year landfill postclosure expenses		30,000

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

Decrease in accrued interest payable		19,103
Amortization of bond premium		8,580
Current year bond premium		(233,821)
Amortization of bond issuance costs		(46,656)
Current year bond issuance costs		178,821
Amortization of bond discount		(7,108)
Bond proceeds		(6,445,000)
Principal payments on bonds		1,195,000

Change in net assets of governmental activities	\$	<u>4,944,841</u>
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The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-1

McKinley County

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variations Favorable (Unfavorable) Final to Actual
	Original	Final		
<i>Revenues:</i>				
Taxes				
Property	\$ 6,328,400	\$ 6,328,400	\$ 7,207,567	\$ 879,167
Gross receipts	2,820,000	2,820,000	2,783,005	(36,995)
Gasoline and motor vehicle	250,000	250,000	342,573	92,573
Other	13,600	13,600	12,666	(934)
Intergovernmental income:				
Federal operating grants	52,254	52,254	1,007	(51,247)
State operating grants	70,000	70,000	71,554	1,554
Payment in lieu of taxes	967,530	967,530	1,710,670	743,140
Charges for services	125,300	125,300	199,159	73,859
Investment income	350,000	350,000	359,128	9,128
Miscellaneous	103,000	103,000	158,690	55,690
<i>Total revenues</i>	<u>11,110,084</u>	<u>11,110,084</u>	<u>12,854,322</u>	<u>1,744,238</u>
<i>Expenditures:</i>				
Current:				
General government	8,928,634	8,938,684	5,937,742	3,000,942
Public safety	4,800,693	4,850,308	4,159,986	690,322
Public Works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	237,457	238,742	218,541	20,201
Capital outlay	137,000	178,524	156,521	22,003
<i>Total expenditures</i>	<u>14,103,784</u>	<u>14,206,258</u>	<u>10,472,790</u>	<u>3,733,468</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,993,700)</u>	<u>(3,096,174)</u>	<u>2,381,532</u>	<u>5,477,706</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	5,921,300	6,923,774	-	(6,923,774)
Proceeds from sale of equipment	10,000	10,000	361	(9,639)
Transfers in	372,000	372,000	102,000	(270,000)
Transfers (out)	(3,309,600)	(4,209,600)	(3,458,000)	751,600
<i>Total other financing sources (uses)</i>	<u>2,993,700</u>	<u>3,096,174</u>	<u>(3,355,639)</u>	<u>(6,451,813)</u>
<i>Net change in fund balance</i>	-	-	(974,107)	(974,107)
<i>Fund balance - beginning of year</i>	-	-	22,620,462	22,620,462
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,646,355</u>	<u>\$ 21,646,355</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (974,107)
Adjustments to revenues for property tax and grant revenues				123,402
Adjustments to expenditures for insurance, materials, other charges, and payroll expenditures				(142,992)
Net change in fund balance (GAAP)				<u>\$ (993,697)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Exhibit C-2

McKinley County

Road Fund Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		(Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	630,000	630,000	630,950	950
Gasoline and motor vehicle	515,000	515,000	609,269	94,269
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	2,298,519	2,298,519	406,580	(1,891,939)
State operating grants	2,068,800	2,068,800	2,396,691	327,891
Payment in lieu of taxes	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	500	500	72	(428)
<i>Total revenues</i>	<u>5,512,819</u>	<u>5,512,819</u>	<u>4,043,562</u>	<u>(1,469,257)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public Works	6,358,599	7,122,676	3,693,843	3,428,833
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	329,000	333,200	34,393	298,807
<i>Total expenditures</i>	<u>6,687,599</u>	<u>7,455,876</u>	<u>3,728,236</u>	<u>3,727,640</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,174,780)</u>	<u>(1,943,057)</u>	<u>315,326</u>	<u>2,258,383</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(825,220)	(56,943)	-	56,943
Transfers in	2,000,000	2,000,000	2,000,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,174,780</u>	<u>1,943,057</u>	<u>2,000,000</u>	<u>56,943</u>
<i>Net change in fund balance</i>	-	-	2,315,326	2,315,326
<i>Fund balance - beginning of year</i>	-	-	1,043,763	1,043,763
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,359,089</u>	<u>\$ 3,359,089</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 2,315,326
Adjustments to revenues for gross receipts taxes, motor vehicle taxes, and miscellaneous state funds				(76,954)
Adjustments to expenditures for materials and other charges				(886,459)
Net change in fund balance (GAAP)				<u>\$ 1,351,913</u>

The accompanying notes are an integral part of these financial statements



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## STATE OF NEW MEXICO

Exhibit C-3

McKinley County  
 Indigent Health Care Fund Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget (Non-GAAP Budgetary Basis) and Actual  
 For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	2,100,000	2,100,000	2,188,096	88,096
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental income:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
Payment in lieu of taxes	-	-	-	-
Charges for services	-	1,500,000	1,500,000	-
Investment income	1,500	1,500	1,584	84
Miscellaneous	5,000	5,000	19,969	14,969
<i>Total revenues</i>	<u>2,106,500</u>	<u>3,606,500</u>	<u>3,709,649</u>	<u>103,149</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public Works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	2,904,850	4,404,850	3,864,617	540,233
Capital outlay	-	-	-	-
<i>Total expenditures</i>	<u>2,904,850</u>	<u>4,404,850</u>	<u>3,864,617</u>	<u>540,233</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(798,350)</u>	<u>(798,350)</u>	<u>(154,968)</u>	<u>643,382</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	900,350	900,350	-	(900,350)
Transfers in	-	-	-	-
Transfers (out)	(102,000)	(102,000)	(102,000)	-
<i>Total other financing sources (uses)</i>	<u>798,350</u>	<u>798,350</u>	<u>(102,000)</u>	<u>(900,350)</u>
<i>Net change in fund balance</i>	-	-	(256,968)	(256,968)
<i>Fund balance - beginning of year</i>	-	-	1,245,237	1,245,237
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 988,269</u>	<u>\$ 988,269</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (256,968)
Adjustments to revenues for gross receipts taxes				(328,730)
Adjustments to expenditures for materials and other charges				<u>(115,514)</u>
Net change in fund balance (GAAP)				<u>\$ (701,212)</u>

The accompanying notes are an integral part of these financial statements

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**STATE OF NEW MEXICO**  
McKinley County  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2011

Exhibit D-1

<i>Assets</i>	
Cash	\$ 535,565
Investments	644,591
Taxes receivable	<u>2,197,304</u>
<i>Total assets</i>	<u><u>\$ 3,377,460</u></u>
 <i>Liabilities</i>	
Deposits held in trust	\$ 1,180,156
Due to other taxing entities	<u>2,197,304</u>
<i>Total liabilities</i>	<u><u>\$ 3,377,460</u></u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO**  
McKinley County  
Notes to the Financial Statements  
June 30, 2011

**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 14-14-1 of NMSA, 1978 compilation and regulated by the constitution of the State of New Mexico. The County operates under a Board of County Commissions-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.

McKinley County is a body politic and corporate under the name and form of government selected by its qualified electors. The County may:

1. Sue or be sued;
2. Enter into contracts and leases;
3. Acquire and hold property, both real and personal;
4. Have common seal, which may be altered at pleasure;
5. Exercise such other privileges that are incident to corporations of like character or degree that are not inconsistent with the laws of New Mexico.
6. Protect generally the property of its county and its inhabitants;
7. Preserve peace and order within the county; and
8. Establish rates for services provided by the County utilities and revenue-producing projects, including amounts which the governing body determines to be reasonable in the operation of similar facilities.

This summary of significant accounting policies of McKinley County is presented to assist in the understanding of McKinley County's financial statements. The financial statements and notes are the representation of McKinley County's management who is responsible for their integrity and objectivity. The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their government-wide financial statements, subject to the same limitation. The County has elected not to follow subsequent private-sector guidance. The more significant of the County's accounting policies are described below.

**A. *Financial Reporting Entity***

In evaluating how to define the County, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens.

**STATE OF NEW MEXICO**  
McKinley County  
Notes to the Financial Statements  
June 30, 2011

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

*A. Financial Reporting Entity (continued)*

A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County does not have any component units required to be reported under GASB Statements No. 14 and No. 39.

*B. Government-wide and fund financial statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The County does not have any *business-type activities*.

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*.

In the government-wide Statement of Net Assets, the governmental activities column (a) is presented on a consolidated basis by column, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt obligations. The County's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the 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 of time, reimbursement and contingencies imposed by the provider are met.

**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies (continued)**

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

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

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. 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.

Program revenues included in the Statement of Activities are derived 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 for services, which include revenues collected for fees and use of County facilities, etc., (b) program-specific operating grants, which includes revenues received from state and federal sources to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources 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.

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.

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

**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies** (continued)

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

Under the requirements of GASB Statement No. 34, the County is required to present certain of its governmental funds as major based upon certain criteria. The major funds presented in the fund financial statements include the following, which includes funds that were not required to be presented as major but were at the discretion of management:

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.

The *Road Fund Special Revenue Fund* is 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 *Indigent Health Care Special Revenue Fund* is used to account for revenues received from state shared gross receipts taxes for hospital service for indigent citizens of the County. The fund was created by authority of state statute (see Section 7-20E-9, NMSA, 1978 Compilation and McKinley County Ordinance No. 07-88-032.9).

Additionally, the government reports the following agency fund:

*Fiduciary funds* are purely custodial (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are used to account for the collection and payment of property taxes and special fees to other governmental agencies. The agency fund is used to account for collection and disbursement of inmate funds for the McKinley County Detention Center. In addition, the agency fund will track and account for items held for the fire departments located within McKinley County.

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 and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.



**STATE OF NEW MEXICO**  
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**NOTE 1. Summary of Significant Accounting Policies** (continued)

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

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

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

Investments for the County are reported at fair value. 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:** Interfund activity is reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting funds and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

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 as revenue when levied net of estimated refunds and uncollectable amounts.

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 May 10<sup>th</sup> are considered delinquent. The taxes attach as an enforceable lien on property as of January 1st.

**Restricted Assets:** Restricted assets consist of those funds expendable for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be expended.

**Capital Assets:** Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns 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. McKinley County was a phase II government for purposes of implementing GASB 34. Therefore, the County was required to report its major general infrastructure assets retroactively to June 30, 1980. Information Technology Equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5).

**STATE OF NEW MEXICO**  
 McKinley County  
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**NOTE 1. Summary of Significant Accounting Policies** (continued)

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

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>
Buildings and improvements	45
Equipment	5-20
Infrastructure	40
Other Improvements	20

**Accrued Expenses:** Accrued expenses are comprised of the payroll expenditures based on amounts earned by the employees through June 30, 2011, along with applicable PERA, FICA, and Medicare payable.

**Deferred Revenues:** There are two types of deferred revenue. Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for deferred revenue (commonly referred to as unearned revenue). The other type of deferred revenue is “unavailable revenue.” Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred revenue.

**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 250 hours (sixty five days) of accrued sick leave.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an 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  
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June 30, 2011

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

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

**Long-term Obligations:** In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. For bonds issued after GASB 34 was implemented, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. For fund financial reporting, bond premiums, discounts as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**Fund Balance Classification Policies and Procedures:** For committed fund balance, the County's highest level of decision-making authority is the County Commission. The formal action that is required to be taken to establish a fund balance commitment is the County Commission.

For assigned fund balance, the County Commission or an official or body to which the County Commission delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the County considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the County considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**Nonspendable Fund Balance:** At June 30, 2011, the County did not have any nonspendable fund balance categorized in the governmental funds balance sheet as detailed on pages 22-23.

**Restricted and Committed Fund Balance:** At June 30, 2011, the County has presented restricted fund balance on the governmental funds balance sheet in the amount of \$60,660,903 for various County operations as restricted by enabling legislation. The County has also presented committed fund balance on the governmental funds balance sheet in the amount of \$965,689 in order to provide services throughout the County. The details of these fund balance items are located on the governmental funds balance sheet as detailed on pages 22-23.

**Minimum Fund Balance Policy:** The County's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the County holds cash reserves of 1/12<sup>th</sup> the General Fund expenditures and a cash reserve of 3/12<sup>th</sup> the Road Special Revenue Fund.

**STATE OF NEW MEXICO**  
McKinley County  
Notes to the Financial Statements  
June 30, 2011

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

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

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

- a. Invested in capital assets, net of related debt: 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. Descriptions for the related restrictions for net assets restricted for “special revenue, debt service, and capital projects” are described on pages 39 and 62-65.
- 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.”

**Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

*Budgetary Information*

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

These budgets are prepared on the Non-GAAP cash budgetary basis. Budgetary basis expenditures exclude encumbrances. The budget secures appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

The budgetary information presented in these financial statements has been properly amended by County Commissioners in accordance with the above procedures. These amendments resulted in the following changes:

**STATE OF NEW MEXICO**  
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**NOTE 2. Stewardship, Compliance and Accountability (continued)**

*Budgetary Information*

	Excess (deficiency) of revenues over expenditures	
	Original	Final
	Budget	Budget
Budgeted Funds:		
General Fund	\$ (2,993,700)	\$ (3,096,174)
Road Fund Special Revenue Fund	\$ (1,174,780)	\$ (1,943,057)
Indigent Health Care Special Revenue Fund	\$ (798,350)	\$ (798,350)
Other Governmental Funds	\$ (4,851,044)	\$ (13,999,011)

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), 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, 2011 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

**STATE OF NEW MEXICO**  
McKinley County  
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June 30, 2011

**NOTE 3. Deposits and Investments**

State statutes authorize the investment of County funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the County properly followed State investment requirements as of June 30, 2011.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the County. Deposits may be made to the extent that they are insured by an agency of the United States or collateralized as required by statute. The financial institution must provide pledged collateral for 50% of the deposit amount in excess of the deposit insurance.

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 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.

According to the Federal Deposit Insurance Corporation (FDIC), public unit deposits are funds owned by the public unit. Under the Transaction Account Guarantee Program (TAGP) in effect from July 1, 2010 to December 31, 2010, time deposits, savings deposits and interest bearing negotiable order of withdrawal (NOW) accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution. The TAGP program expired on December 31, 2010. On November 9, 2010, the FDIC Board of Directors issued a final rule to implement the section of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provides temporary unlimited coverage for noninterest-bearing transaction accounts in all FDIC-insured depository institutions. The separate coverage on noninterest-bearing transaction accounts became effective on December 31, 2010 and will terminate on December 31, 2012. From December 31, 2010 to July 20, 2011 accounts held by an official custodian for a government unit are insured as follows:

- Up to \$250,000 for the combined total of all time and savings deposits (including NOW accounts), and
- Unlimited coverage for noninterest-bearing transaction (demand deposit) accounts

Through July 20, 2011, there is no difference in deposit insurance coverage when an official custodian deposits money in-state or out-of-state.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk, other than following state statutes as set forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2011, \$42,153,997 of the County's bank balance of \$43,775,100 was exposed to custodial credit risk. Although the \$42,153,997 was uninsured, it was collateralized by collateral held by the pledging bank's trust department, not in the County's name. None of the County's deposits were uninsured and uncollateralized at June 30, 2011.

**STATE OF NEW MEXICO**  
 McKinley County  
 Notes to the Financial Statements  
 June 30, 2011

**NOTE 3. Deposits and Investments (continued)**

	<u>US Bank</u>	<u>Pinnacle Bank</u>	<u>Washington Federal Bank</u>	<u>Wells Fargo Bank</u>
Amount of deposits	\$ 2,502,736	\$ 28,635,214	\$ 5,001,973	\$ 7,514,074
FDIC coverage	<u>(250,000)</u>	<u>(500,000)</u>	<u>(250,000)</u>	<u>(500,000)</u>
Total uninsured public funds	<u>2,252,736</u>	<u>28,135,214</u>	<u>4,751,973</u>	<u>7,014,074</u>
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>2,252,736</u>	<u>28,135,214</u>	<u>4,751,973</u>	<u>7,014,074</u>
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Collateral requirement (50%)	\$ 1,126,368	\$ 14,067,607	\$ 2,375,987	\$ 3,507,037
Pledged securities	<u>2,297,851</u>	<u>48,684,640</u>	<u>5,393,665</u>	<u>7,443,512</u>
Over (under) collateralized	<u>\$ 1,171,483</u>	<u>\$ 34,617,033</u>	<u>\$ 3,017,678</u>	<u>\$ 3,936,475</u>
	<u>1st Financial Credit Union</u>	<u>Bank of Albuquerque</u>	<u>Total</u>	
Amount of deposits	\$ 99,301	\$ 1,802	\$ 43,755,100	
FDIC coverage	<u>(99,301)</u>	<u>(1,802)</u>	<u>(1,601,103)</u>	
Total uninsured public funds	<u>-</u>	<u>-</u>	<u>42,153,997</u>	
Collateralized by securities held by pledging institutions or by its trust department or agent in other than the County's name	<u>-</u>	<u>-</u>	<u>42,153,997</u>	
Uninsured and uncollateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Collateral requirement (50%)	\$ -	\$ -	\$ 21,076,999	
Pledged securities	<u>-</u>	<u>-</u>	<u>63,819,668</u>	
Over (under) collateralized	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,742,669</u>	

**STATE OF NEW MEXICO**  
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**NOTE 3. Deposits and Investments** (continued)

The collateral pledged is listed on Schedule I of this report. The types of collateral 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.

**Investments**

Credit Risk

The New MexiGROW Local Government Investment Pool's (LGIP) investments are valued at fair value based on quoted market prices as of the valuation date. The LGIP is not SEC registered. The New Mexico State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10(I) through 6-10-10(P) and Sections 6-10-10.1(A) and (E), NMSA 1978. The LGIP's investments are monitored by the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10.1(F), NMSA 1978, 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 fund amounts were invested. Participation in the LGIP is voluntary.

As of June 30, 2011, the County's investment in the State Treasurer Local Government Investment Pool- Reserve Contingency Fund was unrated.

As of June 30, 2011, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Weighted Average Maturities</u>	<u>Fair Value</u>	<u>Rating</u>
LGIP Reserve Contingency Fund	NA	\$ 17,521	Unrated
U.S. Treasury MM Mutual Fund	<1 year	627,070	AAA
Federal Home Loan	<5 year	16,978,682	AAA
Federal Farm	<6 year	1,986,562	AAA
		<u>\$ 19,609,835</u>	

The investments are listed on Schedule II of this report. At year end June 30, 2011, there was \$20,214,345 of certificates of deposits, classified as investments at Exhibit B-1 and \$644,591 of certificates of deposits at Exhibit D-1 related to agency funds that were also included in Schedule II of this report.

*Interest Rate Risk – Investments.* The County does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

*Concentration of Credit Risk – Investments.* For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the County. The investments in the New MexiGROW LGIP, U.S Treasury Money Market Mutual Funds, Federal Home loan, and Federal Farm Association represent 1%, 3%, 87%, and 10% respectively, of the investment portfolio. Since the County only purchase investments with the highest credit rating, the concentration is not viewed to be an additional risk by the County. The County's policy related to concentration of credit risk 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 County utilizes pooled accounts for their funds. The General, Special Revenue, Capital Projects, and Agency Funds are all in multiple accounts.



**STATE OF NEW MEXICO**  
 McKinley County  
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**NOTE 3. Deposits and Investments** (continued)

**Reconciliation of Cash and Cash Equivalents**

Primary Government

Reconciliation to the Statement of Net Assets

Cash and cash equivalents per Exhibit A-1	\$ 18,708,557
Investments per Exhibit A-1	39,824,180
Restricted cash and cash equivalents per Exhibit A-1	2,379,585
Cash - Statement of Fiduciary Assets and Liabilities per Exhibit D-1	535,565
Investments - Statement of Fiduciary Assets and Liabilities per Exhibit D-1	<u>644,591</u>
Total cash, cash equivalents, and investments	62,092,478
Add: outstanding checks	1,603,928
Less: Investments that are not certificates of deposits	(19,609,835)
Less: deposits in transit	(330,371)
Less: petty cash	<u>(1,100)</u>
Bank balance of deposits	<u><u>\$ 43,755,100</u></u>

**NOTE 4. Receivables**

Receivables as of June 30, 2011, are as follows:

	<u>General Fund</u>	<u>Road Fund</u>	<u>Indigent Health Care Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes	\$ 925,136	\$ -	\$ -	\$ 8,778	\$ 933,914
Other taxes:					
Gross receipts taxes	157,669	57,421	127,601	920,477	1,263,168
Gasoline and oil taxes	-	39,951	-	-	39,951
Other receivables:					
Charges for services	9,497	98,387	-	1,085,931	1,193,815
Intergovernmental:					
State	34,621	350,042	63,774	209,795	658,232
Federal	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,343</u>	<u>19,343</u>
Totals	<u><u>\$ 1,126,923</u></u>	<u><u>\$ 545,801</u></u>	<u><u>\$ 191,375</u></u>	<u><u>\$ 2,244,324</u></u>	<u><u>\$ 4,108,423</u></u>

In accordance with GASB No. 33, property tax revenues in the amount of \$502,385 that were not collected within the period of availability have been reclassified as deferred revenue in the governmental fund financial statements.

All of the above receivables are deemed to be fully collectible.

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

Net operating transfers, made to close out funds and to supplement other funding sources in the normal course of operations, were as follows:

<b>Transfers Out</b>	<b>Transfers In</b>	<b>Amount</b>
<b>Primary Government</b>		
Emergency Communication & Medical	EMS	\$ 634,700
Emergency Communication & Medical	E911 Metro Dispatch	1,781,801
Community Health Improvement	JSAAC Center	38,878
Solid Waste Payroll	Environmental Gross Receipts Taxes	44,152
Rural Public Safety	Sheriff's Grants	80,000
Rural Public Safety	Narcotic Drug Control & K-9 Drug Unit	60,000
Rural Public Safety	Emergency Management	300,000
Rural Public Safety	JSAAC Center	60,000
CDBG/Williams Acres Water System	CDBG/Thoreau Wastewater	500,000
General Revenue/Gross Receipts Tax Bonds/ Notes	Agency fund	627,070
General Revenue/Gross Receipts Tax Bonds/ Notes	General Revenue/Gross Receipts Tax Bonds/ Notes	126,770
General Fund	Corrections Fees	300,000
General Fund	Farm & Range	7,000
General Fund	Highway Beautification Grant	6,000
General Fund	Senior Citizens Centers	25,000
General Fund	Federal Grants	270,000
General Fund	State Projects	250,000
General Fund	General Revenue/Gross Receipts Tax Bonds/ Notes	600,000
General Fund	Road Fund	2,000,000
Indigent Health Care Fund	General Fund	<u>102,000</u>
	Total	<u><u>\$ 7,813,371</u></u>

Exhibit B-2 noted \$7,186,301 of transfers in, and \$7,813,371 of transfers out, leaving a difference of \$627,070, which is due to the County transferring \$627,070 to an agency fund during the fiscal year 2011.

Interfund receivables as of June 30, 2011 consisted of the following:

<b>Due From</b>	<b>Due To</b>	<b>Amount</b>
General Fund	Adult Detention	\$ 724,057

All funds that maintain interfund balances will be expected to be paid back within one year.

**STATE OF NEW MEXICO**  
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**NOTE 6. Capital Assets**

The following is a summary of capital assets and changes occurring during the year ended June 30, 2011. Land and construction in progress are not subject to depreciation.

	Balance June 30, 2010	Restatement	Additions	Deletions	Balance June 30, 2011
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 3,661,916	\$ -	\$ -	\$ -	\$ 3,661,916
Construction in progress	199,190	-	572,000	-	771,190
<b>Total capital assets not being depreciated</b>	<b>3,861,106</b>	<b>-</b>	<b>572,000</b>	<b>-</b>	<b>4,433,106</b>
Capital assets being depreciated:					
Infrastructure	27,766,389	-	-	-	27,766,389
Land Improvements	3,806,722	273,601	-	-	4,080,323
Building and Improvements	53,790,374	1,449,234	126,335	-	55,365,943
Vehicles and rolling stock	17,432,001	-	1,766,895	223,315	18,975,581
Machinery, equipment & other	6,413,466	180,904	345,530	501,028	6,438,872
<b>Total capital assets being depreciated</b>	<b>109,208,952</b>	<b>1,903,739</b>	<b>2,238,760</b>	<b>724,343</b>	<b>112,627,108</b>
Less accumulated depreciation:					
Infrastructure	16,174,547	70	879,414	-	17,054,031
Land Improvements	2,243,815	2,212	261,850	-	2,507,877
Building and Improvements	11,701,807	581	1,258,615	-	12,961,003
Vehicles and rolling stock	12,145,066	30,098	849,906	174,880	12,850,190
Machinery, equipment & other	4,314,007	(35,696)	409,604	455,029	4,232,886
<b>Total accumulated depreciation</b>	<b>46,579,242</b>	<b>(2,735)</b>	<b>3,659,390</b>	<b>629,909</b>	<b>49,605,988</b>
<b>Total capital assets, net of depreciation</b>	<b>\$ 66,490,816</b>	<b>\$ 1,906,474</b>	<b>\$ (848,630)</b>	<b>\$ 94,434</b>	<b>\$ 67,454,226</b>

The County also transferred \$672,755 in assets from one department to another related to vehicles and rolling stock, and \$108,719 in machinery, equipment and other during the fiscal year. Also, the County has restated prior year government-wide net assets in the amount of \$1,906,474 in order to correct the prior year balances of Capital Assets.

**STATE OF NEW MEXICO**  
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 June 30, 2011

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

Depreciation expense for the year ended June 30, 2011 was charged to the functions of the governmental activities as follows:

General Government	\$ 919,849
Public Safety	1,611,515
Public Works	1,061,391
Health and Welfare	66,635
	<u>\$ 3,659,390</u>

**NOTE 7. Long-term Debt**

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

	<u>Balance June 30, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2011</u>	<u>Due Within One Year</u>
Gross Receipts Revenue Bonds	\$ 21,895,000	\$ 6,445,000	\$ 1,195,000	\$ 27,145,000	\$ 1,315,000
Lanfill Closure/Post Closure Costs	188,000	-	30,000	158,000	30,000
Compensated Absences	638,052	355,849	548,544	445,357	445,357
Total long-term debt	<u>\$ 22,721,052</u>	<u>\$ 6,800,849</u>	<u>\$ 1,773,544</u>	<u>\$ 27,748,357</u>	<u>\$ 1,790,357</u>

**Gross Receipts Revenue Bonds**

Bonds outstanding at June 30, 2011 consisted of the following bonds:

Series 2003B, Refunding of 1996 GRT Bonds

Original issue	\$ 1,330,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2016
Interest rates	1.200-4.000%

Series 2003C, GRT Imp/Ref Rev Bonds

Original issue	\$ 15,585,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2023
Interest rates	2.500-5.000%

Series 2008, GRT Improvement Revenue Bonds

Original issue	\$ 10,350,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2033
Interest rates	3.500-5.000%

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

**Gross Receipts Revenue Bonds (continued)**

Bonds outstanding at June 30, 2011 consisted of the following bonds (continued):

Series 2010, GRT Improvement Revenue Bonds	
Original issue	\$ 6,445,000
Interest due	December 1 and June 1
Principal due	June 1
Maturity Date	June 1, 2030
Interest rates	2.000-4.000%

The annual requirements to amortize the Bonds Payable as of June 30, 2011, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2012	\$ 1,315,000	\$ 1,201,543	\$ 2,516,543
2013	1,370,000	1,148,323	2,518,323
2014	1,420,000	1,093,723	2,513,723
2015	1,475,000	1,034,525	2,509,525
2016	1,540,000	976,138	2,516,138
2017-2021	8,005,000	3,900,694	11,905,694
2022-2026	6,215,000	2,089,763	8,304,763
2027-2031	4,505,000	921,850	5,426,850
2032-2033	1,300,000	98,250	1,398,250
	<u>\$ 27,145,000</u>	<u>\$ 12,464,806</u>	<u>\$ 39,609,806</u>

**Operating Leases**

The County leases equipment under cancelable operating leases. Total costs for such leases were approximately \$34,318 for the year ended June 30, 2011. The future minimum lease payments for these leases for 2012-2016 are \$37,438, \$37,438, \$37,438, \$37,438, and \$3,120 respectively.

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

State and Federal laws and regulations require that McKinley County place final covers on its landfills when it is closed and perform certain maintenance and monitoring functions at the landfill sites for thirty year after closure. McKinley County 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 2009. Current year deletions were based off of estimated costs from the Solid Waste Fund. The balance at June 30, 2011 is \$158,000.

**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, 2011, compensated absences decreased \$192,695 over the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities.

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**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 of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. No funds reflected a deficit fund balance as of June 30, 2011.
- B. Excess of expenditures over appropriations. No funds maintained expenditures in excess of the budget for the year ended June 30, 2011.
- C. Funds with designated cash appropriations in excess of available balances. No funds had designated cash appropriations in excess of available balances at June 30, 2011

**NOTE 10. Pension Plan - Public Employees Retirement Association**

*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 benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to PERA, P. O. Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA's website at [www.pera.state.nm.us](http://www.pera.state.nm.us)

*Funding Policy:* Plan members are required to contribute the following percentages of their gross salary: 16.3% for law enforcement and fire protection employees; and 9.15% for county employees. The County was required to contribute the following percentages of the gross covered salary: 18.5% for law enforcement and fire protection plan members; and 9.15% for county plan members. The contribution requirements of plan members and McKinley County are established in State Statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the fiscal years ended June 30, 2011, 2010, and 2009 were \$1,416,600, \$1,777,404, and \$1,710,924, respectively, which equal the amount of the required contributions for each fiscal year.

**STATE OF NEW MEXICO**  
 McKinley County  
 Notes to the Financial Statements  
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**NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan**

*Plan Description.* McKinley County contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA 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; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2011, the statute required each participating employer to contribute 1.666% of each participating employee's annual salary; each participating employee was required to contribute .8333% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for employees and employers will rise as follows:

(1)

For employees who are not members of an enhanced retirement plan the contribution rates will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	1.834%	.917%
FY13	2.000%	1.000%

(2)

For employees who are members of an enhanced retirement (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4, and 5; municipal fire member coverage plan 3, 4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), during the fiscal year ended June 30, 2011, that statute required each participating employer to contribute 2.084% of each participating employee's annual salary, and each participating employee was required to contribute 1.042% of their salary. In the fiscal years ending June 30, 2012 and June 30, 2013 the contribution rates for both employees will rise as follows:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY12	2.292%	1.146%
FY13	2.500%	1.250%

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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McKinley County  
Notes to the Financial Statements  
June 30, 2011

**NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan** (continued)

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature.

McKinley County's contributions to the RHCA for the years ended June 30, 2011, 2010, and 2009 were \$156,652, \$117,026, and \$111,483, respectively, which equal the required contributions for each year.

**NOTE 12. Contingent Liabilities**

The County is party to various claims and lawsuits arising in the normal course of business. The County is insured through the New Mexico County Insurance Authority. The maximum exposure of the County is not estimable as of June 30, 2011 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 the 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 the 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 operation expenses and equipment replacement.

**NOTE 13. Commitments**

The County has various construction and purchase commitments totaling approximately \$8,432,465 as of June 30, 2011. The funding to cover the various commitments was bond and/or note proceeds, including bonds, grants, and cash reserves.

**NOTE 14. Related Party**

The County has entered into related party transactions with one of its Commissioners. The Commissioner owns a plumbing company that provides 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 2011 is \$183,018 for prior year invoices and non contract or emergency work for current year.

**NOTE 15. Restricted Net Assets**

The government-wide statement of net assets reports \$41,380,129 of restricted assets, all of which is restricted by enabling legislation. For descriptions of the related enabling legislation for special revenue, debt service and capital project funds, see pages 39, and 62-65.



**STATE OF NEW MEXICO**  
 McKinley County  
 Notes to the Financial Statements  
 June 30, 2011

**NOTE 16. Net Assets Restatement**

The County has restated prior year net assets in the government-wide and fund balances in the fund financial statements as a result of the following:

- Errors in the prior year's capital asset inventory listing that did not capture all additions correctly in the amount of \$1,906,474.
- Error in posting bond issuance cost in the prior years in the amount of \$395,115.
- Errors in recording bond underwriting discounts in the prior years in the amount of \$67,729.
- Errors in the prior year related to accrued payroll in the amount of \$9,693.
- Error in not recording Solid Waste Payroll Fund in prior year for the amount of \$44,152.
- Error in not recording Federal Grants Fund in prior year for the amount of \$17,536.
- Error in accounts payable in prior year in the amount of \$81,515.

Government Wide Restatement as presented at Exhibit A-2:

Fund Financials Restatement as presented at Exhibit B-2:

Capital Assets	\$ 1,906,474	\$ -
Bond Issuance Costs	395,115	-
Bond Underwriting Discount	67,729	-
Accrued Payroll	9,693	9,693
Solid Waste Fund	44,152	44,152
Federal Grants Fund	(17,536)	(17,536)
Accounts Payable	(81,515)	(81,515)
	<u>\$ 2,324,112</u>	<u>\$ (45,206)</u>

**NOTE 17. Joint Powers Agreements**

JPA Participants – Energy, Mineral and Natural Resources Department

Responsible party – Each participant

Description – Construct Hiking and Biking Trails, Trailheads, and a parking area

Contract period- Fiscal year 2011- 2013

Estimated amount of project – \$154,331

Cost to the County: Unknown

Audit responsibility – Each participant

Fiscal agent – McKinley County

JPA Participants – City of Gallup

Responsible party – Each participant

Description – Distribution of Liquor Excise Tax Revenue

Contract period- Fiscal year 2011- Infinite

Estimated amount of project – Unknown

Cost to the County: Unknown

Audit responsibility – Each participant

Fiscal agent – McKinley County

**NOTE 18. Subsequent Events**

**LGIP Investment in the Reserve Primary Fund**

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.

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McKinley County  
Notes to the Financial Statements  
June 30, 2011

**NOTE 18. Subsequent Events (continued)**

**LGIP Investment in the Reserve Primary Fund (continued)**

On July 15, 2010, the Reserve announced that it will begin its seventh distribution to Primary Fund shareholders on or about July 16, 2010. The distribution, in the amount of approximately \$215 million, represents approximately 67% of the Fund's remaining asset value of \$323 million as of the close of business on July 9, 2010. Including this seventh distribution, \$50.7 billion of Fund assets as of the close of business on September 15, 2008, will have been returned to investors. There have been no additional distributions in the past year.

The New Mexico State Treasurer's Office believes that there may be additional distributions. Uncertainty remains, however, as to the timing and amounts of these distributions. Effective November 24, 2010, all remaining assets were transferred to a liquidating service agent, Crederian Fund Services LLC.

The date to which events occurring after June 30, 2011, the date of the most recent statement of net assets, have been evaluated for possible adjustment to the financial statements or disclosures is November 8, 2011 which is the date on which the financial statements were issued.

**NOTE 19. Subsequent Pronouncements**

In November 2010, GASB Statement No. 60 *Accounting and Financial Reporting for Service Concession Arrangements*, Effective Date: For financial statements for periods beginning after December 15, 2011. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The County is still evaluating the possible effects of this standard.

In November 2010, GASB Statement No. 61 *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, Effective Date: The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. Earlier application is encouraged. The standard is expected to have no effect on the County in upcoming years.

In December 2010, GASB Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, Effective Date: The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented. The County will implement this standard during fiscal year June 30, 2013.

In June 2011, GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* Effective Date: The provisions of Statement 63 are effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the County in upcoming years.

In June 2011, GASB Statement No. 64 *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53* Effective Date: The provisions of Statement 64 are effective for financial statements for periods beginning after June 15, 2011, with earlier application encouraged. The standard is expected to have no effect on the County in upcoming years.

**NOTE 20. 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. The County expects any liability for reimbursement which may arise as a result of these audits to be immaterial.

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**SUPPLEMENTARY INFORMATION**

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**NONMAJOR GOVERNMENTAL FUNDS**

**STATE OF NEW MEXICO**  
McKinley County  
Nonmajor Governmental Funds  
June 30, 2011

**Special Revenue Funds**

**Correction Fees** – To account for correction fees authorized by Section 34-14-11, NMSA, 1978. Such revenues are used to supplement general funds for the care of prisoners.

**Environmental Gross Receipts Taxes** – To account for a 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 and disposal. The fund was set up administratively.

**EMS** – To account for grants from the State of New Mexico Health and Environmental 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 District** – 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 5-A-53-5, NMSA, 1978 Compilation).

**Highway Beautification Grant** - To account for revenues and expenditures for the New Mexico Clean and Beautiful Project. The 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 is provided cigarette taxes and user charges. The fund was created by authority state statute (see 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 (see Section 24-1 B, NMSA, 1978 Compilation).

**Senior Citizens Center** - 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 the Senior Citizen program are accounted for in this fund. The operations are funded by McKinley County general funds. The fund was set up administratively.

**Fire Excise Tax** – To account for 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.

**STATE OF NEW MEXICO**  
McKinley County  
Nonmajor Governmental Funds  
June 30, 2011

**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 statute (see Section 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 recordings, filing, maintaining, or reproducing of documents in the Office of the County Clerk. This fund was created by the 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 and equipment. Fund was created administratively.

**Narcotic Drug Control & K-9 Drug Unit** - To account for various law enforcement agencies from forfeitures of seized drugs 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 awarded from the Office of Justice Program and the Federal Vest Program and other if awarded.

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

**Adult Detention Fund-** 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.

**Solid Waste Payroll-** A special revenue fund used to account for the payroll related to solid waste operations.

**Emergency Management-** A special revenue fund used to account for monies kept as reserves for emergency management.

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

**CDBG Planning** – To account for the CDBG and local funds to do major repairs and improvements for the Thoreau Water Project.

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

**Telecommunications** – To account for fees and deposits collected for the purposes of erecting and making changes to telecommunication towers in the County. Established by the McKinley County Commission.



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**STATE OF NEW MEXICO**  
McKinley County  
Nonmajor Governmental Funds  
June 30, 2011

**Capital Projects Fund**

**Capital Projects** – To account for the expenditures related to the construction of capital projects.

**Federal Grants**– To account for the expenditures related to the construction of capital projects funded partly or fully by federal grants.

**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.

**CDBG/Thoreau Wastewater** – To account for the CDBG funds related to the Thoreau Wastewater operations.

**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 government and bonds.

**Law Enforcement JDC Building**– To account for funding from sources used for the Law Enforcement JDC Building.

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

**Judicial Complex Construction**– To account for construction of the Judicial Complex Construction.

**Debt Service Funds**

**General Obligation Bonds**– To account for the accumulation of resources, and the payment of, general long-term debt principle, 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 payment to the New Mexico Finance Authority to retire outstanding notes.

**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.

**Judicial Complex**– To account for monies designated for the retirement of debt associated with the construction of the Judicial Complex.

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2011

Special Revenue

	Correction Fees	Environmental Gross Receipts Taxes	Property Valuation	Hazardous Material Support Services
<i>Assets</i>				
Cash and cash equivalents	\$ 71,073	\$ 28,624	\$ 58,350	\$ 57,613
Investments	700,000	2,451,751	305,213	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	38,270	-	-	-
Other receivables	35,057	88,774	-	15,000
<i>Total assets</i>	<u>\$ 844,400</u>	<u>\$ 2,569,149</u>	<u>\$ 363,563</u>	<u>\$ 72,613</u>
<i>Liabilities</i>				
Accounts payable	\$ 5,030	\$ 58,375	\$ 1,584	\$ -
Accrued payroll	20,642	-	4,703	-
Accrued compensated absences	816	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>26,488</u>	<u>58,375</u>	<u>6,287</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	2,510,774	357,276	72,613
Fire departments	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed to:				
Corrections facility	817,912	-	-	-
Senior center	-	-	-	-
<i>Total fund balances</i>	<u>817,912</u>	<u>2,510,774</u>	<u>357,276</u>	<u>72,613</u>
<i>Total liabilities and fund balances</i>	<u>\$ 844,400</u>	<u>\$ 2,569,149</u>	<u>\$ 363,563</u>	<u>\$ 72,613</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

EMS	E911 Metro Dispatch	Farm & Range	Fire Protection District	Highway Beautification Grant
\$ 305,580	\$ 20,913	\$ 9,517	\$ 2,379,585	\$ 16,723
-	300,000	-	-	-
-	-	-	-	-
-	-	-	-	-
15,131	10,197	-	-	-
<u>\$ 320,711</u>	<u>\$ 331,110</u>	<u>\$ 9,517</u>	<u>\$ 2,379,585</u>	<u>\$ 16,723</u>
\$ 51,761	\$ 12,141	\$ -	\$ 73,275	\$ -
10,471	39,115	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
62,232	51,256	-	73,275	-
-	-	9,517	-	16,723
-	-	-	2,306,310	-
-	279,854	-	-	-
258,479	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
258,479	279,854	9,517	2,306,310	16,723
<u>\$ 320,711</u>	<u>\$ 331,110</u>	<u>\$ 9,517</u>	<u>\$ 2,379,585</u>	<u>\$ 16,723</u>

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2011

Special Revenue

	Law Enforcement Protection	Liquor Excise Tax	Emergency Communication & Medical	Recreation
<i>Assets</i>				
Cash and cash equivalents	\$ 2,349	\$ 780,766	\$ 2,428,674	\$ 5,485
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	255,174	-
Other receivables	-	-	-	-
<i>Total assets</i>	<u>\$ 2,349</u>	<u>\$ 780,766</u>	<u>\$ 2,683,848</u>	<u>\$ 5,485</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 15,583	\$ 2,541	\$ -
Accrued payroll	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>15,583</u>	<u>2,541</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	765,183	-	5,485
Fire departments	-	-	-	-
Public safety	2,349	-	-	-
Healthcare	-	-	2,681,307	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed to:				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
<i>Total fund balances</i>	<u>2,349</u>	<u>765,183</u>	<u>2,681,307</u>	<u>5,485</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,349</u>	<u>\$ 780,766</u>	<u>\$ 2,683,848</u>	<u>\$ 5,485</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Community Health Improvement	Senior Citizens Centers	Fire Excise Tax	Local DWI Program	Clerk Recording & Filing
\$ 201	\$ 25,863	\$ 78,766	\$ 20,553	\$ 47,885
-	-	3,733,987	250,000	50,000
-	-	-	-	-
-	-	119,092	-	-
-	-	-	4,015	-
<u>\$ 201</u>	<u>\$ 25,863</u>	<u>\$ 3,931,845</u>	<u>\$ 274,568</u>	<u>\$ 97,885</u>
\$ -	\$ 2,157	\$ 36,867	\$ 18,972	\$ -
-	-	-	17,224	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,157	36,867	36,196	-
201	-	3,894,978	238,372	97,885
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	23,706	-	-	-
<u>201</u>	<u>23,706</u>	<u>3,894,978</u>	<u>238,372</u>	<u>97,885</u>
<u>\$ 201</u>	<u>\$ 25,863</u>	<u>\$ 3,931,845</u>	<u>\$ 274,568</u>	<u>\$ 97,885</u>

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2011

Special Revenue

	Magistrate Court	Sheriff's Grants	Narcotic Drug Control & K-9 Drug Unit	Federal Office of Justice - Law Enforcement Grant
<i>Assets</i>				
Cash and cash equivalents	\$ 241,460	\$ 362,594	\$ 70,269	\$ 114,444
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	-	-	-
Other receivables	-	76,530	-	42,003
<i>Total assets</i>	<u>\$ 241,460</u>	<u>\$ 439,124</u>	<u>\$ 70,269</u>	<u>\$ 156,447</u>
<i>Liabilities</i>				
Accounts payable	\$ 2,182	\$ 25,722	\$ 962	\$ -
Accrued payroll	1,087	7,775	-	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>3,269</u>	<u>33,497</u>	<u>962</u>	<u>-</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
Fire departments	-	-	-	-
Public safety	238,191	405,627	69,307	156,447
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	-
Debt service expenditures	-	-	-	-
Committed to:				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
<i>Total fund balances</i>	<u>238,191</u>	<u>405,627</u>	<u>69,307</u>	<u>156,447</u>
<i>Total liabilities and fund balances</i>	<u>\$ 241,460</u>	<u>\$ 439,124</u>	<u>\$ 70,269</u>	<u>\$ 156,447</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Law Enforcement Seizures	Adult Detention Fund	Solid Waste Payroll	Emergency Management	JSAAC Center
\$ 8,434	\$ -	\$ -	\$ 422,672	\$ 57,648
-	-	-	-	-
-	-	-	-	-
-	89,298	-	-	-
-	875,871	-	-	120,898
<u>\$ 8,434</u>	<u>\$ 965,169</u>	<u>\$ -</u>	<u>\$ 422,672</u>	<u>\$ 178,546</u>
\$ -	\$ 51,730	\$ -	\$ 8,355	\$ 32,468
-	65,311	-	8,461	10,492
-	-	-	-	-
-	-	-	-	-
-	724,057	-	-	-
-	841,098	-	16,816	42,960
-	-	-	-	135,586
-	-	-	-	-
8,434	-	-	405,856	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	124,071	-	-	-
-	-	-	-	-
<u>8,434</u>	<u>124,071</u>	<u>-</u>	<u>405,856</u>	<u>135,586</u>
<u>\$ 8,434</u>	<u>\$ 965,169</u>	<u>\$ -</u>	<u>\$ 422,672</u>	<u>\$ 178,546</u>



**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2011

	Special Revenue			Capital Projects
	CDBG Planning	Rural Public Safety	Telecommunications	Capital Projects
<i>Assets</i>				
Cash and cash equivalents	\$ 50,250	\$ 2,194,181	\$ 119,680	\$ 90,000
Investments	-	-	-	4,892,410
Receivables:				
Property taxes	-	-	-	-
Other taxes	-	63,801	-	122,625
Other receivables	-	-	-	-
<i>Total assets</i>	\$ 50,250	\$ 2,257,982	\$ 119,680	\$ 5,105,035
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 18,703	\$ -	\$ 44,708
Accrued payroll	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	-
Due to other funds	-	-	-	-
<i>Total liabilities</i>	-	18,703	-	44,708
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	50,250	-	119,680	-
Fire departments	-	-	-	-
Public safety	-	2,239,279	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	-	-	5,060,327
Debt service expenditures	-	-	-	-
Committed to:				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
<i>Total fund balances</i>	50,250	2,239,279	119,680	5,060,327
<i>Total liabilities and fund balances</i>	\$ 50,250	\$ 2,257,982	\$ 119,680	\$ 5,105,035

The accompanying notes are an integral part of these financial statements

Capital Projects

<u>Federal Grants</u>	<u>CDBG/Williams Acres Water System</u>	<u>CDBG/Thoreau Wastewater</u>	<u>Infrastructure Gross Receipts</u>	<u>Courthouse Annex</u>
\$ -	\$ -	\$ -	\$ -	\$ -
270,000	-	478,388	1,975,745	150,397
-	-	-	-	-
-	-	-	44,659	-
-	-	-	-	-
<u>\$ 270,000</u>	<u>\$ -</u>	<u>\$ 478,388</u>	<u>\$ 2,020,404</u>	<u>\$ 150,397</u>
\$ -	\$ -	\$ -	\$ 245,655	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	245,655	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
270,000	-	478,388	1,774,749	150,397
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>270,000</u>	<u>-</u>	<u>478,388</u>	<u>1,774,749</u>	<u>150,397</u>
<u>\$ 270,000</u>	<u>\$ -</u>	<u>\$ 478,388</u>	<u>\$ 2,020,404</u>	<u>\$ 150,397</u>

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Balance Sheet  
 June 30, 2011

	<u>Capital Projects</u>		<u>Debt Service</u>	
	Law Enforcement JDC Building	State Projects	Judicial Complex Construction	General Obligation Bonds
<i>Assets</i>				
Cash and cash equivalents	\$ -	\$ -	\$ 474,085	\$ 41,449
Investments	-	2,460,224	5,947,086	-
Receivables:				
Property taxes	-	-	-	8,778
Other taxes	-	-	-	-
Other receivables	-	31,593	-	-
<i>Total assets</i>	<u>\$ -</u>	<u>\$ 2,491,817</u>	<u>\$ 6,421,171</u>	<u>\$ 50,227</u>
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 243	\$ 53,684	\$ -
Accrued payroll	-	-	-	-
Accrued compensated absences	-	-	-	-
Deferred revenue	-	-	-	8,311
Due to other funds	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>243</u>	<u>53,684</u>	<u>8,311</u>
<i>Fund balances</i>				
Spendable				
Restricted for:				
General county operations	-	-	-	-
Fire departments	-	-	-	-
Public safety	-	-	-	-
Healthcare	-	-	-	-
Capital projects expenditures	-	2,491,574	6,367,487	41,916
Debt service expenditures	-	-	-	-
Committed to:				
Corrections facility	-	-	-	-
Senior center	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>2,491,574</u>	<u>6,367,487</u>	<u>41,916</u>
<i>Total liabilities and fund balances</i>	<u>\$ -</u>	<u>\$ 2,491,817</u>	<u>\$ 6,421,171</u>	<u>\$ 50,227</u>

The accompanying notes are an integral part of these financial statements

Debt Service				
General Revenue/Gross Receipts Tax Bonds/ Notes	Courthouse Project	Law Enforcement JDC Bonds	Judicial Complex	Total Nonmajor Governmental Funds
\$ 41,451	\$ -	\$ -	\$ 328	\$ 10,627,465
33,196	700,637	316,167	-	25,015,201
-	-	-	-	8,778
5,000	100,058	32,500	50,000	920,477
-	-	-	-	1,315,069
<u>\$ 79,647</u>	<u>\$ 800,695</u>	<u>\$ 348,667</u>	<u>\$ 50,328</u>	<u>\$ 37,886,990</u>
\$ -	\$ -	\$ -	\$ -	\$ 762,698
-	-	-	-	185,281
-	-	-	-	816
-	-	-	-	8,311
-	-	-	-	724,057
-	-	-	-	1,681,163
-	-	-	-	8,274,523
-	-	-	-	2,306,310
-	-	-	-	3,805,344
-	-	-	-	2,939,786
-	-	-	-	16,634,838
79,647	800,695	348,667	50,328	1,279,337
-	-	-	-	941,983
-	-	-	-	23,706
<u>79,647</u>	<u>800,695</u>	<u>348,667</u>	<u>50,328</u>	<u>36,205,827</u>
<u>\$ 79,647</u>	<u>\$ 800,695</u>	<u>\$ 348,667</u>	<u>\$ 50,328</u>	<u>\$ 37,886,990</u>

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2011

	<u>Special Revenue</u>			
	<u>Correction Fees</u>	<u>Environmental Gross Receipts Taxes</u>	<u>Property Valuation</u>	<u>Hazardous Material Support Services</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	391,741	563,421	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	30,000
State capital grants	-	-	-	-
Charges for services	661,627	-	204,741	-
Miscellaneous	365	194,794	-	-
<i>Total revenues</i>	<u>1,053,733</u>	<u>758,215</u>	<u>204,741</u>	<u>30,000</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	203,421	-
Public safety	1,464,955	-	-	2,965
Public works	-	392,494	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>1,464,955</u>	<u>392,494</u>	<u>203,421</u>	<u>2,965</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(411,222)</u>	<u>365,721</u>	<u>1,320</u>	<u>27,035</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	-	-
Bond premiums	-	-	-	-
Transfers in	300,000	44,152	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>300,000</u>	<u>44,152</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	(111,222)	409,873	1,320	27,035
<i>Fund balances - beginning of year</i>	929,134	2,100,901	355,956	45,578
Fund balances - restatement	-	-	-	-
<i>Fund balances - as restated</i>	<u>929,134</u>	<u>2,100,901</u>	<u>355,956</u>	<u>45,578</u>
<i>Fund balances - end of year</i>	<u>\$ 817,912</u>	<u>\$ 2,510,774</u>	<u>\$ 357,276</u>	<u>\$ 72,613</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

EMS	E911 Metro Dispatch	Farm & Range	Fire Protection District	Highway Beautification Grant
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	13,387	-	-
160,669	13,216	-	1,331,113	3,000
-	-	-	385,200	-
100,644	1,250	-	-	-
417	475	-	3,369	-
<u>261,730</u>	<u>14,941</u>	<u>13,387</u>	<u>1,719,682</u>	<u>3,000</u>
-	-	-	-	-
837,034	1,621,791	-	960,714	-
-	-	-	-	-
-	-	-	-	-
-	-	20,000	-	-
-	110,816	-	480,000	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>837,034</u>	<u>1,732,607</u>	<u>20,000</u>	<u>1,440,714</u>	<u>-</u>
<u>(575,304)</u>	<u>(1,717,666)</u>	<u>(6,613)</u>	<u>278,968</u>	<u>3,000</u>
-	-	-	-	-
-	-	-	-	-
634,700	1,781,801	7,000	-	6,000
-	-	-	-	-
<u>634,700</u>	<u>1,781,801</u>	<u>7,000</u>	<u>-</u>	<u>6,000</u>
59,396	64,135	387	278,968	9,000
199,083	215,719	9,130	2,027,342	4,497
-	-	-	-	3,226
<u>199,083</u>	<u>215,719</u>	<u>9,130</u>	<u>2,027,342</u>	<u>7,723</u>
<u>\$ 258,479</u>	<u>\$ 279,854</u>	<u>\$ 9,517</u>	<u>\$ 2,306,310</u>	<u>\$ 16,723</u>

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2011

	<u>Special Revenue</u>			
	<u>Law Enforcement Protection</u>	<u>Liquor Excise Tax</u>	<u>Emergency Communication &amp; Medical</u>	<u>Recreation</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	2,612,618	-
Other	-	1,144,911	-	2,188
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	62	-
<i>Total revenues</i>	<u>-</u>	<u>1,144,911</u>	<u>2,612,680</u>	<u>2,188</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	53,918	-	230,095	-
Public works	-	-	-	-
Culture and recreation	-	-	-	2,800
Health and welfare	-	1,018,283	-	-
Capital outlay	-	-	143,766	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>53,918</u>	<u>1,018,283</u>	<u>373,861</u>	<u>2,800</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(53,918)</u>	<u>126,628</u>	<u>2,238,819</u>	<u>(612)</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	-	-
Bond premiums	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	(2,416,501)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(2,416,501)</u>	<u>-</u>
<i>Net change in fund balances</i>	(53,918)	126,628	(177,682)	(612)
<i>Fund balances - beginning of year</i>	56,267	638,555	2,858,989	6,097
Fund balances - restatement	-	-	-	-
<i>Fund balances - as restated</i>	<u>56,267</u>	<u>638,555</u>	<u>2,858,989</u>	<u>6,097</u>
<i>Fund balances - end of year</i>	<u>\$ 2,349</u>	<u>\$ 765,183</u>	<u>\$ 2,681,307</u>	<u>\$ 5,485</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Community Health Improvement	Senior Citizens Centers	Fire Excise Tax	Local DWI Program	Clerk Recording & Filing
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,276,509	-	-
-	-	-	-	-
-	-	-	-	-
17,367	-	-	950,335	-
-	-	-	-	-
-	-	-	11,751	13,444
-	197	-	-	-
<u>17,367</u>	<u>197</u>	<u>1,276,509</u>	<u>962,086</u>	<u>13,444</u>
-	-	-	-	6,531
-	-	251,059	-	-
-	-	-	-	-
-	-	-	-	-
11,083	38,673	-	936,019	-
-	-	767,860	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>11,083</u>	<u>38,673</u>	<u>1,018,919</u>	<u>936,019</u>	<u>6,531</u>
<u>6,284</u>	<u>(38,476)</u>	<u>257,590</u>	<u>26,067</u>	<u>6,913</u>
-	-	-	-	-
-	-	-	-	-
-	25,000	-	-	-
<u>(38,878)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(38,878)</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
(32,594)	(13,476)	257,590	26,067	6,913
32,795	37,182	3,637,388	212,305	90,972
-	-	-	-	-
<u>32,795</u>	<u>37,182</u>	<u>3,637,388</u>	<u>212,305</u>	<u>90,972</u>
<u>\$ 201</u>	<u>\$ 23,706</u>	<u>\$ 3,894,978</u>	<u>\$ 238,372</u>	<u>\$ 97,885</u>



**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2011

	<u>Special Revenue</u>			
	<u>Magistrate Court</u>	<u>Sheriff's Grants</u>	<u>Narcotic Drug Control &amp; K-9 Drug Unit</u>	<u>Federal Office of Justice - Law Enforcement Grant</u>
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	16,020	-	272,975
State operating grants	125,000	864,831	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	3,128	-
<i>Total revenues</i>	<u>125,000</u>	<u>880,851</u>	<u>3,128</u>	<u>272,975</u>
<i>Expenditures:</i>				
Current:				
General government	97,297	-	-	36,801
Public safety	-	-	54,233	-
Public works	-	560,823	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	5,942
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>97,297</u>	<u>560,823</u>	<u>54,233</u>	<u>42,743</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>27,703</u>	<u>320,028</u>	<u>(51,105)</u>	<u>230,232</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	-	-
Bond premiums	-	-	-	-
Transfers in	-	80,000	60,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>80,000</u>	<u>60,000</u>	<u>-</u>
<i>Net change in fund balances</i>	27,703	400,028	8,895	230,232
<i>Fund balances - beginning of year</i>	210,488	5,599	60,412	(73,785)
Fund balances - restatement	-	-	-	-
<i>Fund balances - as restated</i>	<u>210,488</u>	<u>5,599</u>	<u>60,412</u>	<u>(73,785)</u>
<i>Fund balances - end of year</i>	<u>\$ 238,191</u>	<u>\$ 405,627</u>	<u>\$ 69,307</u>	<u>\$ 156,447</u>

The accompanying notes are an integral part of these financial statements

Special Revenue

Law Enforcement Seizures	Adult Detention Fund	Solid Waste Payroll	Emergency Management	JSAAC Center
\$ -	\$ -	\$ -	\$ -	\$ -
-	914,062	-	-	-
-	300,000	-	-	-
-	-	-	201,142	35,000
-	-	-	-	354,601
-	-	-	-	-
362	3,032,502	-	-	-
-	122,489	-	-	193
<u>362</u>	<u>4,369,053</u>	<u>-</u>	<u>201,142</u>	<u>389,794</u>
-	-	-	-	-
-	3,692,961	-	95,286	560,054
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>3,692,961</u>	<u>-</u>	<u>95,286</u>	<u>560,054</u>
<u>362</u>	<u>676,092</u>	<u>-</u>	<u>105,856</u>	<u>(170,260)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	300,000	98,878
-	-	(44,152)	-	-
-	-	(44,152)	300,000	98,878
362	676,092	(44,152)	405,856	(71,382)
8,072	(552,021)	-	-	288,483
-	-	44,152	-	(81,515)
<u>8,072</u>	<u>(552,021)</u>	<u>44,152</u>	<u>-</u>	<u>206,968</u>
<u>\$ 8,434</u>	<u>\$ 124,071</u>	<u>\$ -</u>	<u>\$ 405,856</u>	<u>\$ 135,586</u>

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2011

	Special Revenue			Capital Projects
	CDBG Planning	Rural Public Safety	Telecommunications	Capital Projects
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	653,322	-	1,290,022
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	230,000
Miscellaneous	-	-	84,542	-
<i>Total revenues</i>	<u>-</u>	<u>653,322</u>	<u>84,542</u>	<u>1,520,022</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	21,057	-
Public safety	-	142,953	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	349,095	-	444,666
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>492,048</u>	<u>21,057</u>	<u>444,666</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>161,274</u>	<u>63,485</u>	<u>1,075,356</u>
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	-	-
Bond premiums	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	(500,000)	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balances</i>	-	(338,726)	63,485	1,075,356
<i>Fund balances - beginning of year</i>	50,250	2,578,005	56,195	3,978,504
Fund balances - restatement	-	-	-	6,467
<i>Fund balances - as restated</i>	<u>50,250</u>	<u>2,578,005</u>	<u>56,195</u>	<u>3,984,971</u>
<i>Fund balances - end of year</i>	<u>\$ 50,250</u>	<u>\$ 2,239,279</u>	<u>\$ 119,680</u>	<u>\$ 5,060,327</u>

The accompanying notes are an integral part of these financial statements

Capital Projects

<u>Federal Grants</u>	<u>CDBG/Williams Acres Water System</u>	<u>CDBG/Thoreau Wastewater</u>	<u>Infrastructure Gross Receipts</u>	<u>Courthouse Annex</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	424,853	-
-	-	-	-	-
47,136	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	9,573	-
<u>47,136</u>	<u>-</u>	<u>-</u>	<u>434,426</u>	<u>-</u>
-	-	-	-	26,817
-	-	-	-	-
-	-	21,612	337,281	-
-	-	-	-	-
29,600	-	-	-	-
-	-	-	-	59,081
-	-	-	-	-
-	-	-	-	-
<u>29,600</u>	<u>-</u>	<u>21,612</u>	<u>337,281</u>	<u>85,898</u>
<u>17,536</u>	<u>-</u>	<u>(21,612)</u>	<u>97,145</u>	<u>(85,898)</u>
-	-	-	-	-
-	-	-	-	-
270,000	-	500,000	-	-
-	(500,000)	-	-	-
<u>270,000</u>	<u>(500,000)</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
287,536	(500,000)	478,388	97,145	(85,898)
-	500,000	-	1,677,604	236,295
<u>(17,536)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(17,536)</u>	<u>500,000</u>	<u>-</u>	<u>1,677,604</u>	<u>236,295</u>
<u>\$ 270,000</u>	<u>\$ -</u>	<u>\$ 478,388</u>	<u>\$ 1,774,749</u>	<u>\$ 150,397</u>

**STATE OF NEW MEXICO**  
 McKinley County  
 Nonmajor Governmental Funds  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 For the Year Ended June 30, 2011

	Capital Projects		Debt Service	
	Law Enforcement JDC Building	State Projects	Judicial Complex Construction	General Obligation Bonds
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ 12,971
Gross receipts	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	2,212,957	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	399,465	-	-
<i>Total revenues</i>	-	2,612,422	-	12,971
<i>Expenditures:</i>				
Current:				
General government	-	628,492	118,681	139
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	8,229	182,781	13,832	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	178,821	-
<i>Total expenditures</i>	8,229	811,273	311,334	139
<i>Excess (deficiency) of revenues over expenditures</i>	(8,229)	1,801,149	(311,334)	12,832
<i>Other financing sources (uses)</i>				
Loan proceeds	-	-	6,445,000	-
Bond premiums	-	-	233,821	-
Transfers in	-	250,000	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	-	250,000	6,678,821	-
<i>Net change in fund balances</i>	(8,229)	2,051,149	6,367,487	12,832
<i>Fund balances - beginning of year</i>	8,229	440,425	-	29,084
Fund balances - restatement	-	-	-	-
<i>Fund balances - as restated</i>	8,229	440,425	-	29,084
<i>Fund balances - end of year</i>	\$ -	\$ 2,491,574	\$ 6,367,487	\$ 41,916

The accompanying notes are an integral part of these financial statements

Debt Service

General Revenue/Gross Receipts Tax Bonds/ Notes	Courthouse Project	Law Enforcement JDC Bonds	Judicial Complex	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 12,971
77,000	1,000,058	332,500	356,000	9,892,106
-	-	-	-	1,447,099
-	-	-	-	585,660
-	-	-	-	6,063,089
-	-	-	-	385,200
-	-	319,289	-	4,575,610
-	-	-	-	819,069
<u>77,000</u>	<u>1,000,058</u>	<u>651,789</u>	<u>356,000</u>	<u>23,780,804</u>
-	-	-	-	1,139,236
-	-	-	-	9,968,018
-	-	-	-	1,312,210
-	-	-	-	2,800
-	-	-	-	2,053,658
-	-	-	-	2,566,068
100,000	670,000	260,000	165,000	1,195,000
26,770	527,429	438,294	140,672	1,133,165
-	-	-	-	178,821
<u>126,770</u>	<u>1,197,429</u>	<u>698,294</u>	<u>305,672</u>	<u>19,548,976</u>
<u>(49,770)</u>	<u>(197,371)</u>	<u>(46,505)</u>	<u>50,328</u>	<u>4,231,828</u>
-	-	-	-	6,445,000
-	-	-	-	233,821
726,770	-	-	-	5,084,301
(753,840)	-	-	-	(4,253,371)
<u>(27,070)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,509,751</u>
(76,840)	(197,371)	(46,505)	50,328	11,741,579
156,487	998,066	395,172	-	24,509,454
-	-	-	-	(45,206)
<u>156,487</u>	<u>998,066</u>	<u>395,172</u>	<u>-</u>	<u>24,464,248</u>
<u>\$ 79,647</u>	<u>\$ 800,695</u>	<u>\$ 348,667</u>	<u>\$ 50,328</u>	<u>\$ 36,205,827</u>

## STATE OF NEW MEXICO

Statement B-1

McKinley County

Corrections Fees Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	425,000	425,000	437,371	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	728,000	728,000	764,250	36,250
Miscellaneous	-	-	365	365
<i>Total revenues</i>	<u>1,153,000</u>	<u>1,153,000</u>	<u>1,201,986</u>	<u>36,615</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,421,274	1,866,787	1,467,780	399,007
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,421,274</u>	<u>1,866,787</u>	<u>1,467,780</u>	<u>399,007</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(268,274)</u>	<u>(713,787)</u>	<u>(265,794)</u>	<u>435,622</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(31,726)	413,787	-	(413,787)
Transfers in	300,000	300,000	300,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>268,274</u>	<u>713,787</u>	<u>300,000</u>	<u>(413,787)</u>
<i>Net change in fund balance</i>	-	-	34,206	34,206
<i>Fund balance - beginning of year</i>	-	-	736,867	736,867
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 771,073</u>	<u>\$ 771,073</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 34,206
Adjustments to revenues for gross receipts taxes and charges for service				(148,253)
Adjustments to expenditures for personnel services and repairs and maintenance				2,825
Net change in fund balance (GAAP)				<u>\$ (111,222)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-2

McKinley County

Environmental Gross Receipts Taxes Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	510,000	510,000	538,922	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	130,519	130,519
<i>Total revenues</i>	<u>510,000</u>	<u>510,000</u>	<u>669,441</u>	<u>130,519</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,045,000	1,045,000	334,119	710,881
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,045,000</u>	<u>1,045,000</u>	<u>334,119</u>	<u>710,881</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(535,000)</u>	<u>(535,000)</u>	<u>335,322</u>	<u>841,400</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	490,848	490,848	-	(490,848)
Transfers in	44,152	44,152	44,152	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>535,000</u>	<u>535,000</u>	<u>44,152</u>	<u>(490,848)</u>
<i>Net change in fund balance</i>	-	-	379,474	379,474
<i>Fund balance - beginning of year</i>	-	-	2,100,901	2,100,901
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,480,375</u>	<u>\$ 2,480,375</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 379,474
Adjustments to revenues for gross receipts taxes				88,774
Adjustments to expenditures for other county agencies				(58,375)
Net change in fund balance (GAAP)				<u>\$ 409,873</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 Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	180,000	180,000	204,741	24,741
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>180,000</u>	<u>180,000</u>	<u>204,741</u>	<u>24,741</u>
<i>Expenditures:</i>				
Current:				
General government	216,138	217,588	202,114	15,474
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>216,138</u>	<u>217,588</u>	<u>202,114</u>	<u>15,474</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(36,138)</u>	<u>(37,588)</u>	<u>2,627</u>	<u>40,215</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	36,138	37,588	-	(37,588)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>36,138</u>	<u>37,588</u>	<u>-</u>	<u>(37,588)</u>
<i>Net change in fund balance</i>	-	-	2,627	2,627
<i>Fund balance - beginning of year</i>	-	-	360,936	360,936
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 363,563</u>	<u>\$ 363,563</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 2,627
No adjustments to revenues				-
Adjustments to expenditures for non capital equipment				(1,307)
Net change in fund balance (GAAP)				<u>\$ 1,320</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 Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	15,000	15,000	15,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	50,045	50,045	2,965	47,080
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>50,045</u>	<u>50,045</u>	<u>2,965</u>	<u>47,080</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(35,045)</u>	<u>(35,045)</u>	<u>12,035</u>	<u>47,080</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	35,045	35,045	-	(35,045)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>35,045</u>	<u>35,045</u>	<u>-</u>	<u>(35,045)</u>
<i>Net change in fund balance</i>	-	-	12,035	12,035
<i>Fund balance - beginning of year</i>	-	-	45,578	45,578
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,613</u>	<u>\$ 57,613</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 12,035
Adjustments to revenue for state operating grants				15,000
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 27,035</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-5

McKinley County

EMS Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	158,596	157,669	160,669	3,000
State capital grants	-	-	-	-
Charges for services	90,000	90,000	85,513	(4,487)
Miscellaneous	-	927	417	(510)
<i>Total revenues</i>	<u>248,596</u>	<u>248,596</u>	<u>246,599</u>	<u>(1,997)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	910,155	1,008,135	784,629	223,506
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>910,155</u>	<u>1,008,135</u>	<u>784,629</u>	<u>223,506</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(661,559)</u>	<u>(759,539)</u>	<u>(538,030)</u>	<u>221,509</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	26,859	124,839	-	(124,839)
Transfers in	634,700	634,700	634,700	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>661,559</u>	<u>759,539</u>	<u>634,700</u>	<u>(124,839)</u>
<i>Net change in fund balance</i>	-	-	96,670	96,670
<i>Fund balance - beginning of year</i>	-	-	208,910	208,910
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305,580</u>	<u>\$ 305,580</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 96,670
Adjustments to revenue for charges for service				15,131
Adjustments to expenditures for supplies				(52,405)
Net change in fund balance (GAAP)				<u>\$ 59,396</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 Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	21,100	21,100	3,019	(18,081)
State capital grants	-	-	-	-
Charges for services	-	-	1,250	1,250
Miscellaneous	-	-	475	475
<i>Total revenues</i>	<u>21,100</u>	<u>21,100</u>	<u>4,744</u>	<u>(16,356)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,833,513	1,888,064	1,677,925	210,139
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	55,000	48,572	42,594	5,978
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,888,513</u>	<u>1,936,636</u>	<u>1,720,519</u>	<u>216,117</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,867,413)</u>	<u>(1,915,536)</u>	<u>(1,715,775)</u>	<u>199,761</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	67,413	115,536	-	(115,536)
Transfers in	1,800,000	1,800,000	1,781,801	(18,199)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,867,413</u>	<u>1,915,536</u>	<u>1,781,801</u>	<u>(133,735)</u>
<i>Net change in fund balance</i>	-	-	66,026	66,026
<i>Fund balance - beginning of year</i>	-	-	254,887	254,887
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,913</u>	<u>\$ 320,913</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 66,026
Adjustments to revenues for state operating grants				10,197
Adjustments to expenditures for repairs and maintenance and professional services				(12,088)
Net change in fund balance (GAAP)				<u>\$ 64,135</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-7

McKinley County

Farm &amp; Range Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	13,000	13,000	13,387	387
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>13,000</u>	<u>13,000</u>	<u>13,387</u>	<u>387</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	20,000	20,000	20,000	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(7,000)</u>	<u>(7,000)</u>	<u>(6,613)</u>	<u>387</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	7,000	7,000	7,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	387	387
<i>Fund balance - beginning of year</i>	-	-	9,130	9,130
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,517</u>	<u>\$ 9,517</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 387
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 387</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-8

McKinley County

Fire Protection District Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	1,331,113	1,331,113	1,331,113	-
State capital grants	-	385,200	385,200	-
Charges for services	-	-	-	-
Miscellaneous	-	-	3,369	3,369
<i>Total revenues</i>	<u>1,331,113</u>	<u>1,716,313</u>	<u>1,719,682</u>	<u>3,369</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	1,115,720	1,891,982	903,114	988,868
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	300,000	480,000	480,000	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,415,720</u>	<u>2,371,982</u>	<u>1,383,114</u>	<u>988,868</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(84,607)</u>	<u>(655,669)</u>	<u>336,568</u>	<u>992,237</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	84,607	655,669	-	(655,669)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>84,607</u>	<u>655,669</u>	<u>-</u>	<u>(655,669)</u>
<i>Net change in fund balance</i>	-	-	336,568	336,568
<i>Fund balance - beginning of year</i>	-	-	2,043,017	2,043,017
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,379,585</u>	<u>\$ 2,379,585</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 336,568
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance and capital outlay				(57,600)
Net change in fund balance (GAAP)				<u>\$ 278,968</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-9

McKinley County

Highway Beautification Grant Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	3,000	3,000	3,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	9,355	9,355	6,364	2,991
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>9,355</u>	<u>9,355</u>	<u>6,364</u>	<u>2,991</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(6,355)</u>	<u>(6,355)</u>	<u>(3,364)</u>	<u>2,991</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	355	355	-	(355)
Transfers in	6,000	6,000	6,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>6,355</u>	<u>6,355</u>	<u>6,000</u>	<u>(355)</u>
<i>Net change in fund balance</i>	-	-	2,636	2,636
<i>Fund balance - beginning of year</i>	-	-	14,087	14,087
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,723</u>	<u>\$ 16,723</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 2,636
No adjustments to revenues				-
Adjustments to expenditures for temporary positions				6,364
Net change in fund balance (GAAP)				<u>\$ 9,000</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 Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	54,000	54,000	54,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>54,000</u>	<u>54,000</u>	<u>54,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	54,000	54,000	53,918	82
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>54,000</u>	<u>54,000</u>	<u>53,918</u>	<u>82</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>82</u>	<u>82</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>82</u>	<u>82</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>2,267</u>	<u>2,267</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,349</u>	<u>\$ 2,349</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 82
Adjustments to revenues for state operating grants				(54,000)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (53,918)</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 Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	900,000	900,000	1,144,911	244,911
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>900,000</u>	<u>900,000</u>	<u>1,144,911</u>	<u>244,911</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,050,000	1,110,000	1,027,700	82,300
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,050,000</u>	<u>1,110,000</u>	<u>1,027,700</u>	<u>82,300</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(150,000)</u>	<u>(210,000)</u>	<u>117,211</u>	<u>327,211</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	150,000	210,000	-	(210,000)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>150,000</u>	<u>210,000</u>	<u>-</u>	<u>(210,000)</u>
<i>Net change in fund balance</i>	-	-	117,211	117,211
<i>Fund balance - beginning of year</i>	-	-	663,555	663,555
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 780,766</u>	<u>\$ 780,766</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 117,211
No adjustments to revenues				-
Adjustments to expenditures for health and welfare				9,417
Net change in fund balance (GAAP)				<u>\$ 126,628</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 Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	3,000,000	3,000,000	2,916,979	(83,021)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	62	62
<i>Total revenues</i>	<u>3,000,000</u>	<u>3,000,000</u>	<u>2,917,041</u>	<u>(82,959)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	663,500	724,394	218,798	505,596
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	350,000	304,643	152,522	152,121
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,013,500</u>	<u>1,029,037</u>	<u>371,320</u>	<u>657,717</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,986,500</u>	<u>1,970,963</u>	<u>2,545,721</u>	<u>574,758</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	448,200	463,737	-	(463,737)
Transfers in	-	-	-	-
Transfers (out)	(2,434,700)	(2,434,700)	(2,416,501)	18,199
<i>Total other financing sources (uses)</i>	<u>(1,986,500)</u>	<u>(1,970,963)</u>	<u>(2,416,501)</u>	<u>(445,538)</u>
<i>Net change in fund balance</i>	-	-	129,220	129,220
<i>Fund balance - beginning of year</i>	-	-	2,299,454	2,299,454
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,428,674</u>	<u>\$ 2,428,674</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 129,220
Adjustments to revenues for gross receipts taxes				(304,361)
Adjustments to expenditures for professional services				(2,541)
Net change in fund balance (GAAP)				<u>\$ (177,682)</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 Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	600	600	2,188	1,588
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>600</u>	<u>600</u>	<u>2,188</u>	<u>1,588</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	2,800	2,800	2,800	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(2,200)</u>	<u>(2,200)</u>	<u>(612)</u>	<u>1,588</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	2,200	2,200	-	(2,200)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>2,200</u>	<u>2,200</u>	<u>-</u>	<u>(2,200)</u>
<i>Net change in fund balance</i>	-	-	(612)	(612)
<i>Fund balance - beginning of year</i>	-	-	6,097	6,097
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,485</u>	<u>\$ 5,485</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (612)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (612)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-14

McKinley County

Community Health Improvement Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	17,167	17,167	17,367	200
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>17,167</u>	<u>17,167</u>	<u>17,367</u>	<u>200</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	11,083	11,083	11,083	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,083</u>	<u>11,083</u>	<u>11,083</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>6,084</u>	<u>6,084</u>	<u>6,284</u>	<u>200</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	32,794	32,794	-	(32,794)
Transfers in	-	-	-	-
Transfers (out)	(38,878)	(38,878)	(38,878)	-
<i>Total other financing sources (uses)</i>	<u>(6,084)</u>	<u>(6,084)</u>	<u>(38,878)</u>	<u>(32,794)</u>
<i>Net change in fund balance</i>	-	-	(32,594)	(32,594)
<i>Fund balance - beginning of year</i>	-	-	32,795	32,795
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201</u>	<u>\$ 201</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (32,594)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (32,594)</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 Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	197	197
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>197</u>	<u>197</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	37,750	39,950	37,087	2,863
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>37,750</u>	<u>39,950</u>	<u>37,087</u>	<u>2,863</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(37,750)</u>	<u>(39,950)</u>	<u>(36,890)</u>	<u>3,060</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	12,750	14,950	-	(14,950)
Transfers in	25,000	25,000	25,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>37,750</u>	<u>39,950</u>	<u>25,000</u>	<u>(14,950)</u>
<i>Net change in fund balance</i>	-	-	(11,890)	(11,890)
<i>Fund balance - beginning of year</i>	-	-	37,753	37,753
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,863</u>	<u>\$ 25,863</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (11,890)
No adjustments to revenues				-
Adjustments to expenditures for utilities				(1,586)
Net change in fund balance (GAAP)				<u>\$ (13,476)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-16

McKinley County

Fire Excise Tax Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,200,000	1,200,000	1,157,417	(42,583)
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,157,417</u>	<u>(42,583)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	978,200	906,860	247,247	659,613
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	817,345	1,290,305	734,805	555,500
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,795,545</u>	<u>2,197,165</u>	<u>982,052</u>	<u>1,215,113</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(595,545)</u>	<u>(997,165)</u>	<u>175,365</u>	<u>1,172,530</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	595,545	997,165	-	(997,165)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>595,545</u>	<u>997,165</u>	<u>-</u>	<u>(997,165)</u>
<i>Net change in fund balance</i>	-	-	175,365	175,365
<i>Fund balance - beginning of year</i>	-	-	3,637,388	3,637,388
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,812,753</u>	<u>\$ 3,812,753</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 175,365
Adjustments to revenues for gross receipts taxes				119,092
Adjustments to expenditures for repairs and maintenance and capital outlay				(36,867)
Net change in fund balance (GAAP)				<u>\$ 257,590</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-17

McKinley County

Local DWI Program Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	943,471	964,304	993,169	28,865
State capital grants	-	-	-	-
Charges for services	12,000	12,000	11,751	(249)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>955,471</u>	<u>976,304</u>	<u>1,004,920</u>	<u>28,616</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	1,101,881	1,125,130	932,048	193,082
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,101,881</u>	<u>1,125,130</u>	<u>932,048</u>	<u>193,082</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(146,410)</u>	<u>(148,826)</u>	<u>72,872</u>	<u>221,698</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	146,410	148,826	-	(148,826)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>146,410</u>	<u>148,826</u>	<u>-</u>	<u>(148,826)</u>
<i>Net change in fund balance</i>	-	-	72,872	72,872
<i>Fund balance - beginning of year</i>	-	-	197,681	197,681
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,553</u>	<u>\$ 270,553</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 72,872
Adjustments to revenues for state operating grants				(42,834)
Adjustments to expenditures for repairs and maintenance				(3,971)
Net change in fund balance (GAAP)				<u>\$ 26,067</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-18

McKinley County

Clerk Recording &amp; Filing Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	15,000	15,000	13,444	(1,556)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>15,000</u>	<u>15,000</u>	<u>13,444</u>	<u>(1,556)</u>
<i>Expenditures:</i>				
Current:				
General government	92,800	97,051	6,531	90,520
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>92,800</u>	<u>97,051</u>	<u>6,531</u>	<u>90,520</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(77,800)</u>	<u>(82,051)</u>	<u>6,913</u>	<u>88,964</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	77,800	82,051	-	(82,051)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>77,800</u>	<u>82,051</u>	<u>-</u>	<u>(82,051)</u>
<i>Net change in fund balance</i>	-	-	6,913	6,913
<i>Fund balance - beginning of year</i>	-	-	90,972	90,972
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,885</u>	<u>\$ 97,885</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 6,913
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 6,913</u>

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-19

McKinley County

Magistrate Court Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	125,000	125,000	125,000	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	126,618	126,618	95,697	30,921
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>126,618</u>	<u>126,618</u>	<u>95,697</u>	<u>30,921</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,618)</u>	<u>(1,618)</u>	<u>29,303</u>	<u>30,921</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	1,618	1,618	-	(1,618)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,618</u>	<u>1,618</u>	<u>-</u>	<u>(1,618)</u>
<i>Net change in fund balance</i>	-	-	29,303	29,303
<i>Fund balance - beginning of year</i>	-	-	212,157	212,157
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 241,460</u>	<u>\$ 241,460</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 29,303
No adjustments to revenues				-
Adjustments to expenditures for repairs and maintenance				(1,600)
Net change in fund balance (GAAP)				<u>\$ 27,703</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-20

McKinley County

Sheriff's Grants Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	12,000	12,000	13,858	1,858
State operating grants	682,172	702,172	790,463	88,291
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>694,172</u>	<u>714,172</u>	<u>804,321</u>	<u>90,149</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	709,097	731,538	536,514	195,024
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>709,097</u>	<u>731,538</u>	<u>536,514</u>	<u>195,024</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(14,925)</u>	<u>(17,366)</u>	<u>267,807</u>	<u>285,173</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(65,075)	(62,634)	-	62,634
Transfers in	80,000	80,000	80,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>14,925</u>	<u>17,366</u>	<u>80,000</u>	<u>62,634</u>
<i>Net change in fund balance</i>	-	-	347,807	347,807
<i>Fund balance - beginning of year</i>	-	-	14,787	14,787
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 362,594</u>	<u>\$ 362,594</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 347,807
Adjustments to revenues for state and federal operating grants				76,530
Adjustments to expenditures for contract services				(24,309)
Net change in fund balance (GAAP)				<u>\$ 400,028</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-21

## McKinley County

Narcotic Drug Control & K-9 Drug Unit Special Revenue Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	7,500	7,500	3,128	(4,372)
<i>Total revenues</i>	<u>7,500</u>	<u>7,500</u>	<u>3,128</u>	<u>(4,372)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	66,100	66,100	53,271	12,829
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>66,100</u>	<u>66,100</u>	<u>53,271</u>	<u>12,829</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(58,600)</u>	<u>(58,600)</u>	<u>(50,143)</u>	<u>8,457</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(1,400)	(1,400)	-	1,400
Transfers in	60,000	60,000	60,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>58,600</u>	<u>58,600</u>	<u>60,000</u>	<u>1,400</u>
<i>Net change in fund balance</i>	-	-	9,857	9,857
<i>Fund balance - beginning of year</i>	-	-	60,412	60,412
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,269</u>	<u>\$ 70,269</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 9,857
No adjustments to revenues				-
Adjustments to expenditures for non capital equipment				(962)
Net change in fund balance (GAAP)				<u>\$ 8,895</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-22

## McKinley County

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

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

## Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	304,000	304,000	230,972	(73,028)
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>304,000</u>	<u>304,000</u>	<u>230,972</u>	<u>(73,028)</u>
<i>Expenditures:</i>				
Current:				
General government	188,839	192,864	36,801	156,063
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	5,942	5,942	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>188,839</u>	<u>198,806</u>	<u>42,743</u>	<u>156,063</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>115,161</u>	<u>105,194</u>	<u>188,229</u>	<u>83,035</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(115,161)	(105,194)	-	105,194
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(115,161)</u>	<u>(105,194)</u>	<u>-</u>	<u>105,194</u>
<i>Net change in fund balance</i>	-	-	188,229	188,229
<i>Fund balance - beginning of year</i>	-	-	(73,785)	(73,785)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,444</u>	<u>\$ 114,444</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 188,229
Adjustments to revenues for federal operating grants				42,003
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 230,232</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-23

McKinley County

Law Enforcement Seizures Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	362	362
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>362</u>	<u>362</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>362</u>	<u>362</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>362</u>	<u>362</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,072</u>	<u>8,072</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,434</u>	<u>\$ 8,434</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 362
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 362</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-24

McKinley County

Adult Detention Fund Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,300,000	1,300,000	1,020,532	-
Gasoline and motor vehicle	-	-	-	-
Other	300,000	300,000	300,000	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	3,387,500	3,387,500	2,264,473	(1,123,027)
Miscellaneous	52,000	52,000	120,071	68,071
<i>Total revenues</i>	<u>5,039,500</u>	<u>5,039,500</u>	<u>3,705,076</u>	<u>(1,054,956)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	4,163,408	4,175,161	3,669,527	505,634
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,163,408</u>	<u>4,175,161</u>	<u>3,669,527</u>	<u>505,634</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>876,092</u>	<u>864,339</u>	<u>35,549</u>	<u>(549,322)</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(876,092)	(864,339)	-	864,339
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(876,092)</u>	<u>(864,339)</u>	<u>-</u>	<u>864,339</u>
<i>Net change in fund balance</i>	-	-	35,549	35,549
<i>Fund balance - beginning of year</i>	-	-	(759,606)	(759,606)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (724,057)</u>	<u>\$ (724,057)</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 35,549
Adjustments to revenues for gross receipts taxes and charges for service				663,977
Adjustments to expenditures for repairs and maintenance and supplies				(23,434)
Net change in fund balance (GAAP)				<u>\$ 676,092</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-25

McKinley County

Solid Waste Payroll Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
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	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	44,152	44,152	-	(44,152)
Transfers in	-	-	-	-
Transfers (out)	(44,152)	(44,152)	(44,152)	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(44,152)</u>	<u>(44,152)</u>
<i>Net change in fund balance</i>	-	-	(44,152)	(44,152)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>44,152</u>	<u>44,152</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (44,152)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (44,152)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-26

## McKinley County

## Emergency Management Special Revenue Fund

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

## Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	407,972	201,142	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>407,972</u>	<u>201,142</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	649,591	78,470	571,121
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>649,591</u>	<u>78,470</u>	<u>571,121</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(241,619)</u>	<u>122,672</u>	<u>571,121</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	(58,381)	-	58,381
Transfers in	-	300,000	300,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>241,619</u>	<u>300,000</u>	<u>58,381</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>422,672</u>	<u>422,672</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>\$ 422,672</u>	<u>\$ 422,672</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 422,672
No adjustments to revenues				-
Adjustments to expenditures for equipment				(16,816)
Net change in fund balance (GAAP)				<u>\$ 405,856</u>

The accompanying notes are an integral part of these financial statements



STATE OF NEW MEXICO

Statement B-27

McKinley County

JSAAC Center Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	183,318	183,318	185,834	2,516
State operating grants	312,586	312,586	268,746	(43,840)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	150	150
<i>Total revenues</i>	<u>495,904</u>	<u>495,904</u>	<u>454,730</u>	<u>(41,174)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	653,177	654,288	520,468	133,820
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>653,177</u>	<u>654,288</u>	<u>520,468</u>	<u>133,820</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(157,273)</u>	<u>(158,384)</u>	<u>(65,738)</u>	<u>92,646</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	58,395	59,506	-	(59,506)
Transfers in	98,878	98,878	98,878	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>157,273</u>	<u>158,384</u>	<u>98,878</u>	<u>(59,506)</u>
<i>Net change in fund balance</i>	-	-	33,140	33,140
<i>Fund balance - beginning of year</i>	-	-	106,023	106,023
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,163</u>	<u>\$ 139,163</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 33,140
Adjustments to revenues for state and federal operating grants				(64,936)
Adjustments to expenditures for salaries and professional services				(39,586)
Net change in fund balance (GAAP)				<u>\$ (71,382)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-28

McKinley County

CDBG Planning Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	50,000	50,000	50,000	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</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>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(50,000)	(50,000)	-	50,000
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
<i>Net change in fund balance</i>	-	-	50,000	50,000
<i>Fund balance - beginning of year</i>	-	-	250	250
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,250</u>	<u>\$ 50,250</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 50,000
Adjustments to revenues for federal operating grants				(50,000)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-29

McKinley County

Rural Public Safety Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	700,000	700,000	729,424	29,424
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	5,100	5,100	-	(5,100)
<i>Total revenues</i>	<u>705,100</u>	<u>705,100</u>	<u>729,424</u>	<u>24,324</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	626,336	660,804	139,340	521,464
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	410,000	410,000	334,005	75,995
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,036,336</u>	<u>1,070,804</u>	<u>473,345</u>	<u>597,459</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(331,236)</u>	<u>(365,704)</u>	<u>256,079</u>	<u>621,783</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	831,236	865,704	-	(865,704)
Transfers in	-	-	-	-
Transfers (out)	(500,000)	(500,000)	(500,000)	-
<i>Total other financing sources (uses)</i>	<u>331,236</u>	<u>365,704</u>	<u>(500,000)</u>	<u>(865,704)</u>
<i>Net change in fund balance</i>	-	-	(243,921)	(243,921)
<i>Fund balance - beginning of year</i>	-	-	2,438,102	2,438,102
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,194,181</u>	<u>\$ 2,194,181</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (243,921)
Adjustments to revenues for gross receipts taxes				(76,102)
Adjustments to expenditures for capital outlay				(18,703)
Net change in fund balance (GAAP)				<u>\$ (338,726)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-30

McKinley County

Telecommunications Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	25,000	25,000	84,542	59,542
<i>Total revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>84,542</u>	<u>59,542</u>
<i>Expenditures:</i>				
Current:				
General government	80,000	80,000	21,057	58,943
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>80,000</u>	<u>80,000</u>	<u>21,057</u>	<u>58,943</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(55,000)</u>	<u>(55,000)</u>	<u>63,485</u>	<u>118,485</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	55,000	55,000	-	(55,000)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>(55,000)</u>
<i>Net change in fund balance</i>	-	-	63,485	63,485
<i>Fund balance - beginning of year</i>	-	-	56,195	56,195
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,680</u>	<u>\$ 119,680</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 63,485
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 63,485</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-31

McKinley County

Capital Projects Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 3011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,200,000	1,200,000	1,217,269	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	290,000	290,000	230,000	(60,000)
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,490,000</u>	<u>1,490,000</u>	<u>1,447,269</u>	<u>(60,000)</u>
<i>Expenditures:</i>				
Current:				
General government	2,900,000	2,875,000	339,073	2,535,927
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	1,700,000	1,733,295	444,666	1,288,629
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,600,000</u>	<u>4,608,295</u>	<u>783,739</u>	<u>3,824,556</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(3,110,000)</u>	<u>(3,118,295)</u>	<u>663,530</u>	<u>3,764,556</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	3,110,000	3,118,295	-	(3,118,295)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>3,110,000</u>	<u>3,118,295</u>	<u>-</u>	<u>(3,118,295)</u>
<i>Net change in fund balance</i>	-	-	663,530	663,530
<i>Fund balance - beginning of year</i>	-	-	4,318,880	4,318,880
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,982,410</u>	<u>\$ 4,982,410</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 663,530
Adjustments to revenues for capital projects revenues				72,753
Adjustments to expenditures for non capital equipment and construction expenditures				339,073
Net change in fund balance (GAAP)				<u>\$ 1,075,356</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-32

McKinley County

Federal Grants Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 3011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	270,000	270,000	47,136	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>270,000</u>	<u>270,000</u>	<u>47,136</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	270,000	270,000	29,600	240,400
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>270,000</u>	<u>270,000</u>	<u>29,600</u>	<u>240,400</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>17,536</u>	<u>240,400</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	270,000	270,000	270,000	-
Transfers (out)	(270,000)	(270,000)	-	270,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>270,000</u>	<u>270,000</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>287,536</u>	<u>287,536</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>\$ 287,536</u>	<u>\$ 287,536</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 287,536
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 287,536</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-33

McKinley County

CDBG/Williams Acres Water System Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
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	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	500,000	500,000	-	(500,000)
Transfers in	-	-	-	-
Transfers (out)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
<i>Net change in fund balance</i>	-	-	(500,000)	(500,000)
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (500,000)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (500,000)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-34

McKinley County

CDBG/Thoreau Wastewater Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	450,000	450,000	-	-
State operating grants	50,000	50,000	-	(50,000)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(50,000)</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	500,000	500,000	21,612	478,388
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>500,000</u>	<u>500,000</u>	<u>21,612</u>	<u>478,388</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>(21,612)</u>	<u>428,388</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(500,000)	(500,000)	-	500,000
Transfers in	500,000	500,000	500,000	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>478,388</u>	<u>478,388</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>\$ 478,388</u>	<u>\$ 478,388</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 478,388
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 478,388</u>

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-35

McKinley County

Infrastructure Gross Receipts Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	450,000	450,000	434,000	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	9,573	9,573
<i>Total revenues</i>	<u>450,000</u>	<u>450,000</u>	<u>443,573</u>	<u>9,573</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,245,000	1,274,000	91,626	1,182,374
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,245,000</u>	<u>1,274,000</u>	<u>91,626</u>	<u>1,182,374</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(795,000)</u>	<u>(824,000)</u>	<u>351,947</u>	<u>1,191,947</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	795,000	824,000	-	(824,000)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>795,000</u>	<u>824,000</u>	<u>-</u>	<u>(824,000)</u>
<i>Net change in fund balance</i>	-	-	351,947	351,947
<i>Fund balance - beginning of year</i>	-	-	1,623,798	1,623,798
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,975,745</u>	<u>\$ 1,975,745</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 351,947
Adjustments to revenue for gross receipt taxes				(9,147)
Adjustments to expenditures for repairs and maintenance				(245,655)
Net change in fund balance (GAAP)				<u>\$ 97,145</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-36

McKinley County

Courthouse Annex Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	206,928	162,824	41,428	121,396
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	50,000	65,725	65,724	1
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>256,928</u>	<u>228,549</u>	<u>107,152</u>	<u>121,397</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(256,928)</u>	<u>(228,549)</u>	<u>(107,152)</u>	<u>121,397</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	256,928	228,549	-	(228,549)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>256,928</u>	<u>228,549</u>	<u>-</u>	<u>(228,549)</u>
<i>Net change in fund balance</i>	-	-	(107,152)	(107,152)
<i>Fund balance - beginning of year</i>	-	-	257,549	257,549
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,397</u>	<u>\$ 150,397</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (107,152)
No adjustments to revenues				-
Adjustments to expenditures for capital outlay expenditures				21,254
Net change in fund balance (GAAP)				<u>\$ (85,898)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-37

McKinley County

Law Enforcement JDC Building Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
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	-	8,229	8,229	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>8,229</u>	<u>8,229</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(8,229)</u>	<u>(8,229)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	8,229	-	(8,229)
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>8,229</u>	<u>-</u>	<u>(8,229)</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>(8,229)</u>	<u>(8,229)</u>
<i>Fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>8,229</u>	<u>8,229</u>
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (8,229)
No adjustments to revenues				-
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (8,229)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-38

McKinley County

State Projects Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	5,970,000	5,970,000	2,474,948	(3,495,052)
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	492,540	492,540
<i>Total revenues</i>	<u>5,970,000</u>	<u>5,970,000</u>	<u>3,877,940</u>	<u>(2,092,060)</u>
<i>Expenditures:</i>				
Current:				
General government	4,100,000	4,049,542	649,494	3,400,048
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	500,000	573,594	179,288	394,306
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>4,600,000</u>	<u>4,623,136</u>	<u>828,782</u>	<u>3,794,354</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>1,370,000</u>	<u>1,346,864</u>	<u>3,049,158</u>	<u>1,702,294</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(2,370,000)	(2,346,864)	-	2,346,864
Transfers in	1,000,000	1,000,000	250,000	(750,000)
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(1,370,000)</u>	<u>(1,346,864)</u>	<u>250,000</u>	<u>1,596,864</u>
<i>Net change in fund balance</i>	-	-	3,299,158	3,299,158
<i>Fund balance - beginning of year</i>	-	-	(838,934)	(838,934)
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,460,224</u>	<u>\$ 2,460,224</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 3,299,158
Adjustments to revenues for state grant revenue				(1,265,518)
Adjustments to expenditures for construction expenditures				17,509
Net change in fund balance (GAAP)				<u>\$ 2,051,149</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-39

McKinley County

Judicial Complex Construction Capital Projects Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	504,587	78,829	425,758
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	6,000,000	-	6,000,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	174,233	178,821	(4,588)
<i>Total expenditures</i>	<u>-</u>	<u>6,678,820</u>	<u>257,650</u>	<u>6,421,170</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(6,678,820)</u>	<u>(257,650)</u>	<u>6,421,170</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Loan proceeds	-	6,445,000	6,445,000	-
Bond premium	-	233,820	233,821	1
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>6,678,820</u>	<u>6,678,821</u>	<u>1</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>6,421,171</u>	<u>6,421,171</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>\$ 6,421,171</u>	<u>\$ 6,421,171</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 6,421,171
No adjustments to revenues				-
Adjustments to expenditures for capital outlay expenditures				(53,684)
Net change in fund balance (GAAP)				<u>\$ 6,367,487</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-40

McKinley County

General Obligation Bonds Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 4011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ 25,000	\$ 25,000	\$ 13,949	\$ -
Gross receipts	-	-	-	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>25,000</u>	<u>25,000</u>	<u>13,949</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	500	500	139	361
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>500</u>	<u>500</u>	<u>139</u>	<u>361</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>24,500</u>	<u>24,500</u>	<u>13,810</u>	<u>361</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(24,500)	(24,500)	-	24,500
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(24,500)</u>	<u>(24,500)</u>	<u>-</u>	<u>24,500</u>
<i>Net change in fund balance</i>	-	-	13,810	13,810
<i>Fund balance - beginning of year</i>	-	-	27,639	27,639
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,449</u>	<u>\$ 41,449</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 13,810
Adjustments to revenues for property taxes				(978)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 12,832</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-41

McKinley County

General Revenue/Gross Receipts Tax Bonds/Notes Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	126,000	126,000	72,000	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>126,000</u>	<u>126,000</u>	<u>72,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	100,000	100,000	100,000	-
Interest	26,770	26,770	26,770	-
<i>Total expenditures</i>	<u>126,770</u>	<u>126,770</u>	<u>126,770</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(770)</u>	<u>(770)</u>	<u>(54,770)</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	770	(599,230)	-	599,230
Transfers in	-	600,000	726,770	126,770
Transfers (out)	-	-	(753,840)	(753,840)
<i>Total other financing sources (uses)</i>	<u>770</u>	<u>770</u>	<u>(27,070)</u>	<u>(27,840)</u>
<i>Net change in fund balance</i>	-	-	(81,840)	(81,840)
<i>Fund balance - beginning of year</i>	-	-	156,487	156,487
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,647</u>	<u>\$ 74,647</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ (81,840)
Adjustments to revenues for gross receipt taxes				5,000
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (76,840)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-42

McKinley County

Courthouse Project Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	1,200,000	1,200,000	1,300,000	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,300,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	670,000	670,000	670,000	-
Interest	527,429	527,429	527,429	-
<i>Total expenditures</i>	<u>1,197,429</u>	<u>1,197,429</u>	<u>1,197,429</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>2,571</u>	<u>2,571</u>	<u>102,571</u>	<u>-</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(2,571)	(2,571)	-	2,571
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(2,571)</u>	<u>(2,571)</u>	<u>-</u>	<u>2,571</u>
<i>Net change in fund balance</i>	-	-	102,571	102,571
<i>Fund balance - beginning of year</i>	-	-	598,066	598,066
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700,637</u>	<u>\$ 700,637</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 102,571
Adjustments to revenues for gross receipt taxes				(299,942)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (197,371)</u>

The accompanying notes are an integral part of these financial statements



## STATE OF NEW MEXICO

Statement B-43

## McKinley County

Law Enforcement JDC Bonds Debt Service Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	390,000	390,000	400,000	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	318,789	318,789	319,289	500
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>708,789</u>	<u>708,789</u>	<u>719,289</u>	<u>500</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	260,000	260,000	260,000	-
Interest	438,295	438,295	438,294	1
<i>Total expenditures</i>	<u>698,295</u>	<u>698,295</u>	<u>698,294</u>	<u>1</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>10,494</u>	<u>10,494</u>	<u>20,995</u>	<u>501</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	(10,494)	(10,494)	-	10,494
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>(10,494)</u>	<u>(10,494)</u>	<u>-</u>	<u>10,494</u>
<i>Net change in fund balance</i>	-	-	20,995	20,995
<i>Fund balance - beginning of year</i>	-	-	295,172	295,172
<i>Fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,167</u>	<u>\$ 316,167</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 20,995
Adjustments to revenue for gross receipt taxes and charges for service				(67,500)
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ (46,505)</u>

The accompanying notes are an integral part of these financial statements

## STATE OF NEW MEXICO

Statement B-44

McKinley County

Judicial Complex Debt Service Fund

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget (Non-GAAP Budgetary Basis) and Actual

For the Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variances
	Original	Final		Favorable (Unfavorable) Final to Actual
<i>Revenues:</i>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Gross receipts	-	306,000	306,000	-
Gasoline and motor vehicle	-	-	-	-
Other	-	-	-	-
Intergovernmental:				
Federal operating grants	-	-	-	-
State operating grants	-	-	-	-
State capital grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>306,000</u>	<u>306,000</u>	<u>-</u>
<i>Expenditures:</i>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	167,000	166,842	158
Interest	-	139,000	138,830	170
<i>Total expenditures</i>	<u>-</u>	<u>306,000</u>	<u>305,672</u>	<u>328</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>328</u>	<u>328</u>
<i>Other financing sources (uses)</i>				
Designated cash (budgeted increase in cash)	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>-</u>	<u>-</u>	<u>328</u>	<u>328</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>\$ 328</u>	<u>\$ 328</u>
Net change in fund balance (non-GAAP budgetary basis)				\$ 328
Adjustments to revenue for gross receipt taxes				50,000
No adjustments to expenditures				-
Net change in fund balance (GAAP)				<u>\$ 50,328</u>

The accompanying notes are an integral part of these financial statements

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**SUPPORTING SCHEDULES**

**STATE OF NEW MEXICO**  
 McKinley County  
 Schedule of Collateral Pledged by Depository For Public Funds  
 June 30, 2011

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2011	Location of Safekeeper
<b>US Bank</b>					
	MBS GNMA II	11/20/2038	36202EXM6	\$ 37,071	Federal Home Loan Bank- Dallas, TX
	MBS GNMA I Platinum	6/15/2019	36225B5YO	57,321	Federal Home Loan Bank- Dallas, TX
	GNR 2004-28 PB	11/20/2033	38374GCT7	27,482	Federal Home Loan Bank- Dallas, TX
	GNR 2009-20 AB	3/16/2032	38374TPE8	103,381	Federal Home Loan Bank- Dallas, TX
	GNR 2009-58 AP	6/2/2039	3837D2HO	815,834	Federal Home Loan Bank- Dallas, TX
	GNR 2007-7 PB	6/16/2302	3837JJB2	526,654	Federal Home Loan Bank- Dallas, TX
	GNR 2008-50 KT	9/20/2036	38375QB73	21,067	Federal Home Loan Bank- Dallas, TX
	GNR 2009-61 AP	8/20/2039	38376FFN7	352,917	Federal Home Loan Bank- Dallas, TX
	GNR 2009- 104 KA	8/16/2039	38376JLG7	256,124	Federal Home Loan Bank- Dallas, TX
	Southern Sandoval NM Arroyo	8/1/2020	843789DZ8	100,000 *	Federal Home Loan Bank- Dallas, TX
	Total US Bank			<u>2,297,851</u>	
<b>Pinnacle Bank</b>					
	FHLB Bonds StepUp 1T5	7/7/2014	3133XTY75	5,177,174	Federal Reserve Bank of Kansas City
	FHLB Bonds StepUp 1T	11/18/2014	3133XVKB6	3,422,610	Federal Reserve Bank of Kansas City
	FHLB Bonds	12/30/2013	3133XWGTO	7,066,360	Federal Reserve Bank of Kansas City
	FHLB Bonds	12/29/215	313371GU4	9,990,400	Federal Reserve Bank of Kansas City
	FHLB Bonds	10/30/2014	3133XXRS8	7,471,928	Federal Reserve Bank of Kansas City
	FHLB Bonds	2/26/2016	313372Q56	8,398,880	Federal Reserve Bank of Kansas City
	FNMA 21058 ARM	7/28/2011	313605MF1	25,557	Federal Reserve Bank of Kansas City
	FNMA 303603	2/1/2014	3173UGL5	11,401	Federal Reserve Bank of Kansas City
	FNMA 238817 ARM	11/1/2014	31370RG27	175,739	Federal Reserve Bank of Kansas City
	FNMA 303603	2/1/2014	31373UGL5	41,043	Federal Reserve Bank of Kansas City
	FNMA 323755	11/1/2013	31370TTL3	23,108	Federal Reserve Bank of Kansas City
	FNMA 323794	6/1/2014	31374TUT4	29,242	Federal Reserve Bank of Kansas City
	FNMA 422841	4/1/2013	31379LWA5	21,935	Federal Reserve Bank of Kansas City
	FNMA 257504	5/4/2012	31371PAD2	1,190,178	Federal Reserve Bank of Kansas City
	FHLMCG11533	10/12/2012	31283KV21	1,765,685	Federal Reserve Bank of Kansas City
	FHLMCG2643DA	3/15/2028	31393WGK9	1,065,063	Federal Reserve Bank of Kansas City
	FHLMCG2694QG	1/1/2029	31394LLQ3	1,994,788	Federal Reserve Bank of Kansas City
	CORRALES NM GO	8/1/2015	22025PBF5	75,000	Federal Reserve Bank of Kansas City
	CORRALES NM GO	8/1/2016	22025PBG3	75,000	Federal Reserve Bank of Kansas City
	WEST POINTNE COP	11/1/2016	955444ABO	255,953	Federal Reserve Bank of Kansas City
	WEST POINTNE COP	11/1/2017	955444AC8	407,596	Federal Reserve Bank of Kansas City
	Total Pinnacle Bank			<u>48,684,640</u>	

\*\* As per NMSA 2.2.2.10 (N) (4), the value of collateral consisting of obligations of the State of New Mexico, its agencies, institutions, counties, municipalities or other subdivisions shall be par value.

See accompanying independent auditors' report

Name of Depository	Description of Pledged Collateral	Maturity	CUSIP Number	Fair Market Value at June 30, 2011	Location of Safekeeper
<b>Washington Federal</b>					
FHLB Agency		8/26/2025	313370L63	2,451,666	Federal Home Loan Bank- Seattle WA
FHLB Agency		8/26/2025	313370L63	<u>2,941,999</u>	Federal Home Loan Bank- Seattle WA
Total Washington Federal				<u>5,393,665</u>	
<b>Wells Fargo</b>					
FNMA-PT		7/1/2037	FN 256800 6.000%	15,329	Wells Fargo Bank Northwest, NA
FNMA-PT		8/1/2037	FN 948858 6.000%	91,451	Wells Fargo Bank Northwest, NA
FHLMC-PT		6/1/2038	FG G04535 6.000%	627,898	Wells Fargo Bank Northwest, NA
FNMA-PT		8/1/2036	FN 256349 5.000%	19,657	Wells Fargo Bank Northwest, NA
FHLMC-PT		9/1/2038	FG G04816 6.000%	62,204	Wells Fargo Bank Northwest, NA
FNMA-PT		5/1/2038	FN 889579 5.000%	48,362	Wells Fargo Bank Northwest, NA
FNMA-PT		1/1/2037	FN 906175 5.000%	6,570,436	Wells Fargo Bank Northwest, NA
FNMA-PT		4/1/2037	FN 923865 5.000%	5,029	Wells Fargo Bank Northwest, NA
FHLMC-PT		5/1/2037	FG G00812 5.000%	<u>3,146</u>	Wells Fargo Bank Northwest, NA
Total Wells Fargo				<u>7,443,512</u>	
<b>Total Pledged Collateral</b>				<u><u>\$63,819,668</u></u>	

**STATE OF NEW MEXICO**  
 McKinley County  
 Schedule of Deposit and Investment Accounts  
 June 30, 2011

Bank Account Type/Name	US Bank	Pinnacle Bank	Washington Federal Bank	Wells Fargo Bank	Bank of Albuquerque
Certificate of Deposit	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -
Certificate of Deposit	1,502,736	-	-	-	-
Seizure	-	8,402	-	-	-
CDBG	-	528,637	-	-	-
Operational	-	15,993,799	-	-	-
Payroll Warrant Account	-	16,457	-	-	-
Accounts Payable Warrant Account	-	(161,793)	-	-	-
Certificate of Deposit	-	1,000,000	-	-	-
Certificate of Deposit	-	1,000,000	-	-	-
Certificate of Deposit	-	3,391,148	-	-	-
Certificate of Deposit	-	3,424,578	-	-	-
Certificate of Deposit	-	3,433,986	-	-	-
Certificate of Deposit	-	-	2,000,000	-	-
Certificate of Deposit	-	-	3,001,973	-	-
Savings	-	-	-	6,508,860	-
Certificate of Deposit	-	-	-	1,005,214	-
Trust Account (Bond Defeasement) **	-	-	-	-	627,070
Trust Account (Bond Defeasement) **	-	-	-	-	1,802
State Treasurer Pool	-	-	-	-	-
Certificate of Deposit	-	-	-	-	-
Fedl Home Loan Bk	-	-	-	-	-
Fed Home Ln Bank	-	-	-	-	-
Federal Home Loan	-	-	-	-	-
Fed Home Ln Bank	-	-	-	-	-
Fed Home Ln Bank	-	-	-	-	-
Fed Farm Credit	-	-	-	-	-
Fedl Home Loan Bk	-	-	-	-	-
<b>Total</b>	<b>2,502,736</b>	<b>28,635,214</b>	<b>5,001,973</b>	<b>7,514,074</b>	<b>628,872</b>
Reconciling items	-	(1,273,557)	-	-	-
Reconciled balance	<u>\$ 2,502,736</u>	<u>\$ 27,361,657</u>	<u>\$ 5,001,973</u>	<u>\$ 7,514,074</u>	<u>\$ 628,872</u>

Petty cash

Less: investments per Exhibit A-1

Less: restricted cash and cash equivalents per Exhibit A-1

Less: agency funds cash per Exhibit D-1

Less: agency funds investment per Exhibit D-1

Total unrestricted cash and cash equivalents per Exhibit A-1

\*\*Accounts are U.S. Treasury MMA Mutual Funds

See accompanying independent auditors' report

LGIP	First Financial Credit Union	National Financial Services Corp.	Totals
\$ -	\$ -	\$ -	\$ 1,000,000
-	-	-	1,502,736
-	-	-	8,402
-	-	-	528,637
-	-	-	15,993,799
-	-	-	16,457
-	-	-	(161,793)
-	-	-	1,000,000
-	-	-	1,000,000
-	-	-	3,391,148
-	-	-	3,424,578
-	-	-	3,433,986
-	-	-	2,000,000
-	-	-	3,001,973
-	-	-	6,508,860
-	-	-	1,005,214
-	-	-	627,070
-	-	-	1,802
17,521	-	-	17,521
-	99,301	-	99,301
-	-	2,005,787	2,005,787
-	-	4,936,234	4,936,234
-	-	2,007,631	2,007,631
-	-	3,011,627	3,011,627
-	-	3,008,048	3,008,048
-	-	1,986,562	1,986,562
-	-	2,009,355	2,009,355
17,521	99,301	18,965,244	63,364,935
-	-	-	(1,273,557)
<u>\$ 17,521</u>	<u>\$ 99,301</u>	<u>\$ 18,965,244</u>	62,091,378
			1,100
			(39,824,180)
			(2,379,585)
			(535,565)
			<u>(644,591)</u>
			<u>\$ 18,708,557</u>



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**STATE OF NEW MEXICO**  
 McKinley County  
 Reconciliation of Property Tax Rolls  
 For the Year Ended June 30, 2011

Schedule III

Property taxes receivable, beginning of year	\$	3,122,111
Changes to tax roll:		
Net tax charges to treasurer for fiscal year		24,533,524
Adjustments:		
Net decrease in taxes receivable		<u>(94,824)</u>
Total receivable prior to collections		27,560,811
Collections for fiscal year ended June 30, 2011		<u>(24,429,593)</u>
Property taxes receivable, end of year	\$	<u><u>3,131,218</u></u>
Property taxes receivable are reported as follows:		
General Fund	\$	925,136
Debt Service Fund		8,778
Agency Funds		<u>2,197,304</u>
Total property taxes receivable	\$	<u><u>3,131,218</u></u>
Property taxes receivable by year:		
2001	\$	20,424
2002		23,706
2003		16,759
2004		20,141
2005		17,309
2006		17,196
2007		33,885
2008		138,650
2009		554,937
2010		<u>2,288,211</u>
Total property taxes receivable	\$	<u><u>3,131,218</u></u>

See accompanying independent auditors' report

**STATE OF NEW MEXICO**  
 McKinley County  
 McKinley County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2011

Agency	Property Taxes Levied	Previous Amount Collected	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 2001	\$ 321,066	\$ 320,937	\$ 58	\$ 320,995	\$ 68	\$ 321,000	\$ 71
STATE DEBT SERVICE 2002	209,188	209,084	48	209,132	102	209,186	56
STATE DEBT SERVICE 2003	296,223	296,058	86	296,144	191	296,249	79
STATE DEBT SERVICE 2004	204,484	204,285	69	204,354	134	204,419	131
STATE DEBT SERVICE 2005	261,313	261,059	82	261,141	194	261,253	172
STATE DEBT SERVICE 2006	282,678	282,068	388	282,456	1,130	283,198	222
STATE DEBT SERVICE 2007	288,944	285,818	2,430	288,248	6,225	292,043	696
STATE DEBT SERVICE 2008	303,715	291,940	7,963	299,903	7,306	299,246	3,813
STATE DEBT SERVICE 2009	295,562	272,400	12,485	284,885	15,942	288,343	10,678
STATE DEBT SERVICE 2010	1,119,456	-	1,012,244	1,012,244	997,160	997,160	107,212
<b>Total</b>	<b>\$ 3,582,631</b>	<b>\$ 2,423,649</b>	<b>\$ 1,035,853</b>	<b>\$ 3,459,502</b>	<b>\$ 1,028,452</b>	<b>\$ 3,452,097</b>	<b>\$ 123,129</b>
<b>002 COUNTY OPERATIONAL- RES</b>							
COUNTY OPERATIONAL - RES 2001	\$ 936,640	\$ 936,249	\$ 185	\$ 936,434	\$ -	\$ 936,249	\$ 206
COUNTY OPERATIONAL - RES 2002	970,497	970,015	222	970,237	-	970,015	259
COUNTY OPERATIONAL - RES 2003	993,907	993,353	288	993,641	-	993,353	265
COUNTY OPERATIONAL - RES 2004	1,037,340	1,036,330	347	1,036,677	-	1,036,330	663
COUNTY OPERATIONAL - RES 2005	1,083,794	1,082,740	341	1,083,081	-	1,082,740	713
COUNTY OPERATIONAL - RES 2006	1,151,514	1,149,023	1,586	1,150,609	-	1,149,029	904
COUNTY OPERATIONAL - RES 2007	1,232,687	1,219,352	10,364	1,229,716	-	1,219,352	2,971
COUNTY OPERATIONAL - RES 2008	1,303,061	1,252,540	34,162	1,286,702	31,344	1,283,884	16,358
COUNTY OPERATIONAL - RES 2009	1,396,597	1,287,153	58,989	1,346,142	77,209	1,364,362	50,455
COUNTY OPERATIONAL - RES 2010	1,412,993	-	1,313,442	1,313,442	1,283,667	1,283,667	99,551
<b>Total</b>	<b>\$ 11,519,028</b>	<b>\$ 9,926,755</b>	<b>\$ 1,419,927</b>	<b>\$ 11,346,682</b>	<b>\$ 1,392,220</b>	<b>\$ 11,318,981</b>	<b>\$ 172,346</b>
<b>003 COUNTY DEBT SERVICE</b>							
COUNTY DEBT SERVICE 2001	\$ 192,822	\$ 192,741	\$ 38	\$ 192,779	\$ -	\$ 192,741	\$ 42
COUNTY DEBT SERVICE 2002	231,541	231,426	53	231,479	41	231,467	62
COUNTY DEBT SERVICE 2003	23,581	23,568	7	23,575	112	23,680	6
COUNTY DEBT SERVICE 2004	496,690	496,207	166	496,373	15	496,222	317
COUNTY DEBT SERVICE 2005	248,819	248,577	79	248,656	325	248,902	164
COUNTY DEBT SERVICE 2006	254,651	254,102	349	254,451	184	254,286	200
COUNTY DEBT SERVICE 2007	250,608	247,897	2,107	250,004	1,018	248,915	604
COUNTY DEBT SERVICE 2008	197,536	189,878	5,179	195,057	5,399	195,277	2,480
COUNTY DEBT SERVICE 2009	-	-	-	-	4,752	4,752	-
COUNTY DEBT SERVICE 2010	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,896,248</b>	<b>\$ 1,884,396</b>	<b>\$ 7,976</b>	<b>\$ 1,892,372</b>	<b>\$ 11,846</b>	<b>\$ 1,896,242</b>	<b>\$ 3,875</b>

See accompanying independent auditors' report

STATE OF NEW MEXICO  
 McKinley County  
 McKinley County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2011

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>004 GALLUP MUNICIPAL OPERATIONAL - RES</b>							
GALLUP MUNICIPAL OPERATIONAL - RES 2001	\$ 682,439	\$ 682,275	\$ 111	\$ 682,386	\$ 61	\$ 682,336	\$ 53
GALLUP MUNICIPAL OPERATIONAL - RES 2002	706,766	706,606	49	706,655	13	706,619	112
GALLUP MUNICIPAL OPERATIONAL - RES 2003	724,620	724,390	120	724,510	87	724,477	110
GALLUP MUNICIPAL OPERATIONAL - RES 2004	755,928	755,331	255	755,586	228	755,559	343
GALLUP MUNICIPAL OPERATIONAL - RES 2005	790,007	789,360	285	789,645	395	789,755	362
GALLUP MUNICIPAL OPERATIONAL - RES 2006	838,923	837,206	1,215	838,421	3,868	841,074	503
GALLUP MUNICIPAL OPERATIONAL - RES 2007	897,384	890,071	5,703	895,774	21,199	911,270	1,611
GALLUP MUNICIPAL OPERATIONAL - RES 2008	949,677	919,193	21,375	940,568	18,458	937,651	9,109
GALLUP MUNICIPAL OPERATIONAL - RES 2009	1,019,122	952,517	35,692	988,209	45,797	998,314	30,913
GALLUP MUNICIPAL OPERATIONAL - RES 2010	1,030,429	-	972,701	972,701	952,965	952,965	57,728
<b>Total</b>	<b>\$ 8,395,296</b>	<b>\$ 7,256,949</b>	<b>\$ 1,037,504</b>	<b>\$ 8,294,453</b>	<b>\$ 1,043,071</b>	<b>\$ 8,300,020</b>	<b>\$ 100,843</b>
<b>005 GALLUP MUNICIPAL DEBT SERVICE</b>							
GALLUP MUNICIPAL DEBT SERVICE 2001	\$ 171,516	\$ 171,475	\$ 28	\$ 171,503	\$ 15	\$ 171,490	\$ 13
GALLUP MUNICIPAL DEBT SERVICE 2002	173,971	173,931	13	173,944	3	173,934	27
GALLUP MUNICIPAL DEBT SERVICE 2003	334,050	333,944	55	333,999	40	333,984	51
GALLUP MUNICIPAL DEBT SERVICE 2004	346,298	346,025	116	346,141	105	346,130	157
GALLUP MUNICIPAL DEBT SERVICE 2005	368,062	367,761	132	367,893	184	367,945	168
GALLUP MUNICIPAL DEBT SERVICE 2006	235,783	235,299	342	235,641	872	236,172	141
GALLUP MUNICIPAL DEBT SERVICE 2007	404,803	401,504	2,573	404,077	7,920	409,424	727
GALLUP MUNICIPAL DEBT SERVICE 2008	415,999	402,645	9,364	412,009	8,085	410,731	3,990
GALLUP MUNICIPAL DEBT SERVICE 2009	440,594	411,799	15,431	427,230	19,799	431,598	13,365
GALLUP MUNICIPAL DEBT SERVICE 2010	441,186	-	416,470	416,470	408,020	408,020	24,717
<b>Total</b>	<b>\$ 3,332,262</b>	<b>\$ 2,844,383</b>	<b>\$ 444,523</b>	<b>\$ 3,288,906</b>	<b>\$ 445,043</b>	<b>\$ 3,289,428</b>	<b>\$ 43,356</b>
<b>006 SCHOOLD DISTRICT OPERATIONAL - RES</b>							
SCHOOL DISTRICT OPERATIONAL - RES 2001	\$ 42,922	\$ 42,904	\$ 8	\$ 42,912	\$ 12	\$ 42,916	\$ 9
SCHOOL DISTRICT OPERATIONAL - RES 2002	44,511	44,489	10	44,499	36	44,525	12
SCHOOL DISTRICT OPERATIONAL - RES 2003	45,595	45,569	14	45,583	49	45,618	12
SCHOOL DISTRICT OPERATIONAL - RES 2004	47,537	47,491	15	47,506	49	47,540	30
SCHOOL DISTRICT OPERATIONAL - RES 2005	49,759	49,711	15	49,726	54	49,765	33
SCHOOL DISTRICT OPERATIONAL - RES 2006	52,765	52,651	72	52,723	333	52,984	41
SCHOOL DISTRICT OPERATIONAL - RES 2007	56,554	55,942	475	56,417	1,728	57,670	136
SCHOOL DISTRICT OPERATIONAL - RES 2008	59,766	57,449	1,567	59,016	1,438	58,887	750
SCHOOL DISTRICT OPERATIONAL - RES 2009	63,992	58,977	2,703	61,680	3,538	62,515	2,312
SCHOOL DISTRICT OPERATIONAL - RES 2010	64,765	-	60,201	60,201	58,836	58,836	4,563
<b>Total</b>	<b>\$ 528,165</b>	<b>\$ 455,183</b>	<b>\$ 65,082</b>	<b>\$ 520,265</b>	<b>\$ 66,073</b>	<b>\$ 521,256</b>	<b>\$ 7,900</b>

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**STATE OF NEW MEXICO**  
 McKinley County  
 McKinley County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2011

Agency	Property Taxes Levied	Previous Amount Collected	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 2001	\$ 1,468,984	\$ 1,468,371	\$ 290	\$ 1,468,661	\$ 309	\$ 1,468,680	\$ 323
SCHOOL DISTRICT DEBT SERVICE 2002	1,504,630	1,503,883	344	1,504,227	730	1,504,612	402
SCHOOL DISTRICT DEBT SERVICE 2003	1,565,612	1,564,741	453	1,565,194	1,008	1,565,749	418
SCHOOL DISTRICT DEBT SERVICE 2004	1,602,726	1,601,166	536	1,601,702	1,049	1,602,215	1,024
SCHOOL DISTRICT DEBT SERVICE 2005	1,718,487	1,716,815	541	1,717,356	1,273	1,718,088	1,131
SCHOOL DISTRICT DEBT SERVICE 2006	1,775,608	1,771,777	2,437	1,774,214	7,095	1,778,872	1,395
SCHOOL DISTRICT DEBT SERVICE 2007	1,919,750	1,898,797	16,325	1,915,122	41,360	1,940,339	4,628
SCHOOL DISTRICT DEBT SERVICE 2008	2,028,900	1,950,233	53,195	2,003,428	48,807	1,999,040	25,472
SCHOOL DISTRICT DEBT SERVICE 2009	2,147,186	1,978,912	90,697	2,069,609	118,712	2,097,624	77,577
SCHOOL DISTRICT DEBT SERVICE 2010	2,168,057	-	2,015,299	2,015,299	1,969,610	1,969,610	152,758
<b>Total</b>	<b>\$ 17,899,939</b>	<b>\$ 15,454,695</b>	<b>\$ 2,180,117</b>	<b>\$ 17,634,812</b>	<b>\$ 2,189,953</b>	<b>\$ 17,644,829</b>	<b>\$ 265,127</b>
<b>008 SCHOOL DIST. CAP. IMPROVEMENT - RES</b>							
SCHOOL DIST. CAP. IMPROVEMENT 2001	\$ 360,289	\$ 360,139	\$ 71	\$ 360,210	\$ 76	\$ 360,215	\$ 79
SCHOOL DIST. CAP. IMPROVEMENT 2002	372,479	372,294	86	372,380	181	372,475	100
SCHOOL DIST. CAP. IMPROVEMENT 2003	381,514	381,302	111	381,413	249	381,551	102
SCHOOL DIST. CAP. IMPROVEMENT 2004	397,797	397,410	133	397,543	261	397,671	254
SCHOOL DIST. CAP. IMPROVEMENT 2005	415,647	415,243	130	415,373	310	415,553	273
SCHOOL DIST. CAP. IMPROVEMENT 2006	437,881	436,936	601	437,537	1,750	438,686	344
SCHOOL DIST. CAP. IMPROVEMENT 2007	468,757	463,685	3,942	467,627	10,136	473,821	1,130
SCHOOL DIST. CAP. IMPROVEMENT 2008	485,906	467,066	12,740	479,806	11,689	478,755	6,100
SCHOOL DIST. CAP. IMPROVEMENT 2009	513,988	473,707	21,711	495,418	28,417	502,124	18,570
SCHOOL DIST. CAP. IMPROVEMENT 2010	518,116	-	481,611	481,611	470,692	470,692	36,506
<b>Total</b>	<b>\$ 4,352,376</b>	<b>\$ 3,767,782</b>	<b>\$ 521,135</b>	<b>\$ 4,288,917</b>	<b>\$ 523,761</b>	<b>\$ 4,291,543</b>	<b>\$ 63,458</b>
<b>009 GALLUP BRANCH COLLEGE - RES</b>							
GALLUP BRANCH COLLEGE - RES 2001	\$ 123,151	\$ 123,099	\$ 25	\$ 123,124	\$ 30	\$ 123,130	\$ 27
GALLUP BRANCH COLLEGE - RES 2002	127,599	127,536	29	127,565	79	127,615	34
GALLUP BRANCH COLLEGE - RES 2003	130,767	130,694	38	130,732	108	130,802	35
GALLUP BRANCH COLLEGE - RES 2004	136,455	136,323	45	136,368	111	136,434	87
GALLUP BRANCH COLLEGE - RES 2005	423,522	423,110	134	423,244	314	423,424	279
GALLUP BRANCH COLLEGE - RES 2006	437,921	436,976	601	437,577	1,750	438,726	344
GALLUP BRANCH COLLEGE - RES 2007	468,795	463,723	3,942	467,665	10,136	473,859	1,130
GALLUP BRANCH COLLEGE - RES 2008	485,945	467,104	12,740	479,844	11,689	478,793	6,100
GALLUP BRANCH COLLEGE - RES 2009	514,022	473,741	21,710	495,451	28,417	502,158	18,570
GALLUP BRANCH COLLEGE - RES 2010	518,149	-	481,644	481,644	470,725	470,725	36,506
<b>Total</b>	<b>\$ 3,366,327</b>	<b>\$ 2,782,306</b>	<b>\$ 520,909</b>	<b>\$ 3,303,215</b>	<b>\$ 523,359</b>	<b>\$ 3,305,666</b>	<b>\$ 63,112</b>

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STATE OF NEW MEXICO  
McKinley County  
McKinley County Treasurer Property Tax Schedule  
For the Year Ended June 30, 2011

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>010 GALLUP BRANCH DEBT SERVICE</b>							
GALLUP BRANCH DEBT SERVICE 2001	\$ 181,907	\$ 181,831	\$ 36	\$ 181,867	\$ 38	\$ 181,869	\$ 40
GALLUP BRANCH DEBT SERVICE 2002	372,552	372,367	85	372,452	181	372,548	100
GALLUP BRANCH DEBT SERVICE 2003	389,767	389,550	113	389,663	251	389,801	104
GALLUP BRANCH DEBT SERVICE 2004	397,829	397,442	133	397,575	261	397,703	254
GALLUP BRANCH DEBT SERVICE 2005	635,284	634,666	200	634,866	471	635,137	418
GALLUP BRANCH DEBT SERVICE 2006	437,921	436,976	601	437,577	1,750	438,726	344
GALLUP BRANCH DEBT SERVICE 2007	473,291	468,171	3,980	472,151	10,196	478,367	1,141
GALLUP BRANCH DEBT SERVICE 2008	485,945	467,104	12,740	479,844	11,689	478,793	6,100
GALLUP BRANCH DEBT SERVICE 2009	642,527	592,176	27,138	619,314	35,521	627,697	23,213
GALLUP BRANCH DEBT SERVICE 2010	647,687	-	602,055	602,055	588,406	588,406	45,632
<b>Total</b>	\$ 4,664,710	\$ 3,940,283	\$ 647,081	\$ 4,587,364	\$ 648,764	\$ 4,589,047	\$ 77,346
<b>011 REHOBOTH CHRISTIAN HOSPITAL - RES</b>							
REHOBOTH CHRISTIAN HOSPITAL 2001	\$ 181,907	\$ 181,831	\$ 36	\$ 181,867	\$ 38	\$ 181,869	\$ 40
REHOBOTH CHRISTIAN HOSPITAL 2002	186,276	186,183	43	186,226	90	186,273	50
REHOBOTH CHRISTIAN HOSPITAL 2003	190,791	190,685	55	190,740	124	190,809	51
REHOBOTH CHRISTIAN HOSPITAL 2004	397,829	397,442	133	397,575	261	397,703	254
REHOBOTH CHRISTIAN HOSPITAL 2005	423,522	423,110	134	423,244	314	423,424	279
REHOBOTH CHRISTIAN HOSPITAL 2006	437,921	436,976	601	437,577	1,750	438,726	344
REHOBOTH CHRISTIAN HOSPITAL 2007	468,795	463,723	3,942	467,665	10,136	473,859	1,130
REHOBOTH CHRISTIAN HOSPITAL 2008	485,945	467,104	12,740	479,844	11,689	478,793	6,100
REHOBOTH CHRISTIAN HOSPITAL 2009	514,022	473,740	21,711	495,451	28,417	502,158	18,570
REHOBOTH CHRISTIAN HOSPITAL 2010	518,149	-	481,644	481,644	470,725	470,725	36,506
<b>Total</b>	\$ 3,805,157	\$ 3,220,794	\$ 521,040	\$ 3,741,834	\$ 523,544	\$ 3,744,339	\$ 63,323
<b>012 UNM - GALLUP SPECIAL VOCATIONAL - RES</b>							
UNM - GALLUP SPECIAL VOCATIONAL 2001	\$ 123,151	\$ 123,099	\$ 25	\$ 123,124	\$ 30	\$ 123,130	\$ 27
UNM - GALLUP SPECIAL VOCATIONAL 2002	127,599	127,536	29	127,565	79	127,615	34
UNM - GALLUP SPECIAL VOCATIONAL 2003	130,767	130,694	38	130,732	108	130,802	35
UNM - GALLUP SPECIAL VOCATIONAL 2004	136,455	136,323	45	136,368	111	136,434	87
UNM - GALLUP SPECIAL VOCATIONAL 2005	211,761	211,555	67	211,622	157	211,712	139
UNM - GALLUP SPECIAL VOCATIONAL 2006	218,961	218,488	301	218,789	875	219,363	172
UNM - GALLUP SPECIAL VOCATIONAL 2007	234,516	231,979	1,972	233,951	5,070	237,049	565
UNM - GALLUP SPECIAL VOCATIONAL 2008	242,972	233,552	6,370	239,922	5,844	239,396	3,050
UNM - GALLUP SPECIAL VOCATIONAL 2009	257,011	236,870	10,856	247,726	14,208	251,078	9,285
UNM - GALLUP SPECIAL VOCATIONAL 2010	259,075	-	240,822	240,822	235,362	235,362	18,253
<b>Total</b>	\$ 1,942,268	\$ 1,650,096	\$ 260,524	\$ 1,910,620	\$ 261,844	\$ 1,911,941	\$ 31,648

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 For the Year Ended June 30, 2011

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<b>013 ZUNI SCHOOL DISTRICT OPERATIONAL - RES</b>							
ZUNI SCHOOL DISTRICT OPERATIONAL 2001	\$ 11	\$ 11	\$ -	\$ 11	\$ -	\$ 11	\$ -
ZUNI SCHOOL DISTRICT OPERATIONAL 2002	12	12	-	12	-	12	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2003	13	13	-	13	-	13	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2004	8	8	-	8	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2005	10	10	-	10	-	10	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2006	10	10	-	10	-	10	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2007	10	10	-	10	-	10	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2008	10	10	-	10	8	10	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2009	8	8	-	8	-	8	-
ZUNI SCHOOL DISTRICT OPERATIONAL 2010	8	-	8	8	-	8	-
<b>Total</b>	\$ 100	\$ 92	\$ 8	\$ 100	\$ 8	\$ 100	\$ -
<b>014 ZUNI SCHOOL DISTRICT DEBT SERV - RES</b>							
ZUNI SCHOOL DISTRICT DEBT SERVICE 2001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ZUNI SCHOOL DISTRICT DEBT SERVICE 2002	-	-	-	-	-	-	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2003	36	\$ 36	-	36	-	36	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2004	48	48	-	48	-	48	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2005	56	56	-	56	-	56	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2006	59	58	1	59	-	59	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2007	59	59	-	59	-	59	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2008	53	53	-	53	-	53	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2009	83	83	-	83	-	83	-
ZUNI SCHOOL DISTRICT DEBT SERVICE 2010	96	-	96	96	96	96	-
<b>Total</b>	\$ 490	\$ 393	\$ 97	\$ 490	\$ 96	\$ 490	\$ -
<b>015 ZUNI SCHOOL DIST CAP IMPROV - RES</b>							
ZUNI SCHOOL DIST CAPITAL IMPROV. 2001	\$ 68	\$ 68	\$ -	\$ 68	\$ -	\$ 68	\$ -
ZUNI SCHOOL DIST CAPITAL IMPROV. 2002	72	72	-	72	-	72	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2003	69	69	-	69	-	69	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2004	32	32	-	32	-	32	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2005	41	41	-	41	-	41	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2006	40	40	-	40	-	40	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2007	39	39	-	39	-	39	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2008	39	39	-	39	-	39	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2009	33	33	-	33	-	33	-
ZUNI SCHOOL DIST CAPITAL IMPROV. 2010	33	-	33	33	33	33	-
<b>Total</b>	\$ 466	\$ 433	\$ 33	\$ 466	\$ 33	\$ 466	\$ -

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<b>019 ZUNI SCHOOL DIST EDUC. TECH - RES</b>							
ZUNI SCHOOL DIST EDUC TECH. 2001	\$ 450	\$ 450	\$ -	\$ 450	\$ -	\$ 450	\$ -
ZUNI SCHOOL DIST EDUC TECH. 2002	467	467	-	467	-	467	-
ZUNI SCHOOL DIST EDUC TECH. 2003	474	474	-	474	-	474	-
ZUNI SCHOOL DIST EDUC TECH. 2004	372	372	-	372	-	372	-
ZUNI SCHOOL DIST EDUC TECH. 2005	300	299	1	300	-	300	-
ZUNI SCHOOL DIST EDUC TECH. 2006	-	262	(262)	-	-	-	-
ZUNI SCHOOL DIST EDUC TECH. 2007	262	172	90	262	-	262	-
ZUNI SCHOOL DIST EDUC TECH. 2008	172	149	23	172	-	172	-
ZUNI SCHOOL DIST EDUC TECH. 2009	149	-	149	149	-	149	-
ZUNI SCHOOL DIST EDUC TECH. 2010	151	-	151	151	151	151	-
<b>Total</b>	<b>\$ 2,796</b>	<b>\$ 2,645</b>	<b>\$ 151</b>	<b>\$ 2,796</b>	<b>\$ 151</b>	<b>\$ 2,797</b>	<b>\$ -</b>
<b>022 COUNTY OPERATIONAL - NON RES</b>							
COUNTY OPERATIONAL - NON RES 2001	\$ 4,561,258	\$ 4,554,383	\$ 224	\$ 4,554,607	\$ -	\$ 4,554,383	\$ 6,651
COUNTY OPERATIONAL - NON RES 2002	4,698,130	4,690,036	724	4,690,760	-	4,690,036	7,370
COUNTY OPERATIONAL - NON RES 2003	4,496,430	4,489,835	941	4,490,776	-	4,489,835	5,654
COUNTY OPERATIONAL - NON RES 2004	4,351,988	4,345,728	952	4,346,680	-	4,345,728	5,308
COUNTY OPERATIONAL - NON RES 2005	4,781,665	4,776,747	862	4,777,609	-	4,776,747	4,056
COUNTY OPERATIONAL - NON RES 2006	4,923,225	4,913,645	5,466	4,919,111	-	4,913,646	4,114
COUNTY OPERATIONAL - NON RES 2007	5,319,946	5,303,599	10,840	5,314,439	-	5,303,599	5,507
COUNTY OPERATIONAL - NON RES 2008	5,287,586	5,212,680	59,452	5,272,132	58,315	5,270,995	15,454
COUNTY OPERATIONAL - NON RES 2009	5,732,457	5,173,035	474,815	5,647,850	505,910	5,678,946	84,607
COUNTY OPERATIONAL - NON RES 2010	5,600,263	-	4,986,191	4,986,191	4,934,058	4,934,058	614,071
<b>Total</b>	<b>\$ 49,752,946</b>	<b>\$ 43,459,688</b>	<b>\$ 5,540,467</b>	<b>\$ 49,000,155</b>	<b>\$ 5,498,283</b>	<b>\$ 48,957,973</b>	<b>\$ 752,791</b>
<b>024 GALLUP MUNICIPAL OPERATIONAL - NON RES</b>							
GALLUP MUNICIPAL OPERATIONAL NON RES 2001	\$ 859,743	\$ 857,644	\$ -	\$ 857,644	\$ -	\$ 857,644	\$ 2,099
GALLUP MUNICIPAL OPERATIONAL NON RES 2002	873,373	870,415	-	870,415	-	870,415	2,958
GALLUP MUNICIPAL OPERATIONAL NON RES 2003	861,459	860,642	-	860,642	-	860,642	817
GALLUP MUNICIPAL OPERATIONAL NON RES 2004	873,947	873,100	7	873,107	-	873,100	840
GALLUP MUNICIPAL OPERATIONAL NON RES 2005	964,473	963,445	13	963,458	-	963,445	1,015
GALLUP MUNICIPAL OPERATIONAL NON RES 2006	1,019,504	1,016,404	2,024	1,018,428	-	1,016,404	1,076
GALLUP MUNICIPAL OPERATIONAL NON RES 2007	1,113,217	1,107,473	4,159	1,111,632	-	1,107,473	1,585
GALLUP MUNICIPAL OPERATIONAL NON RES 2008	1,180,969	1,144,926	30,281	1,175,207	29,368	1,174,294	5,762
GALLUP MUNICIPAL OPERATIONAL NON RES 2009	1,168,773	1,056,106	68,869	1,124,975	83,344	1,139,450	43,799
GALLUP MUNICIPAL OPERATIONAL NON RES 2010	1,163,691	-	1,085,724	1,085,724	1,064,033	1,064,033	77,967
<b>Total</b>	<b>\$ 10,079,149</b>	<b>\$ 8,750,155</b>	<b>\$ 1,191,077</b>	<b>\$ 9,941,232</b>	<b>\$ 1,176,745</b>	<b>\$ 9,926,900</b>	<b>\$ 137,918</b>

See accompanying independent auditors' report



**STATE OF NEW MEXICO**  
 McKinley County  
 McKinley County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2011

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>026 SCHOOL DISTRICT OPERATIONAL - NON RES</b>							
SCHOOL DISTRICT OPERATIONAL - NON RES 2001	\$ 191,120	\$ 190,855	\$ 9	\$ 190,864	\$ -	\$ 190,855	\$ 255
SCHOOL DISTRICT OPERATIONAL - NON RES 2002	196,802	196,486	30	196,516	-	196,486	286
SCHOOL DISTRICT OPERATIONAL - NON RES 2003	188,475	188,222	40	188,262	-	188,222	213
SCHOOL DISTRICT OPERATIONAL - NON RES 2004	182,488	182,249	40	182,289	-	182,249	199
SCHOOL DISTRICT OPERATIONAL - NON RES 2005	200,447	200,268	37	200,305	-	200,268	142
SCHOOL DISTRICT OPERATIONAL - NON RES 2006	206,440	206,065	231	206,296	-	206,065	145
SCHOOL DISTRICT OPERATIONAL - NON RES 2007	223,122	222,462	457	222,919	-	222,462	203
SCHOOL DISTRICT OPERATIONAL - NON RES 2008	221,752	218,646	2,483	221,129	2,435	221,081	623
SCHOOL DISTRICT OPERATIONAL - NON RES 2009	240,609	217,060	20,009	237,069	21,321	238,381	3,540
SCHOOL DISTRICT OPERATIONAL - NON RES 2010	235,111	-	209,236	209,236	207,037	207,037	25,875
<b>Total</b>	<b>\$ 2,086,366</b>	<b>\$ 1,822,313</b>	<b>\$ 232,572</b>	<b>\$ 2,054,885</b>	<b>\$ 230,793</b>	<b>\$ 2,053,106</b>	<b>\$ 31,481</b>
<b>028 SCHOOL DIST CAP IMPROV - NON RES</b>							
SCHOOL DIST CAP IMPROV - NON RES 2001	\$ 764,478	\$ 763,419	\$ 38	\$ 763,457	\$ -	\$ 763,419	\$ 1,021
SCHOOL DIST CAP IMPROV - NON RES 2002	787,207	785,942	122	786,064	-	785,942	1,143
SCHOOL DIST CAP IMPROV - NON RES 2003	753,902	752,890	159	753,049	-	752,890	853
SCHOOL DIST CAP IMPROV - NON RES 2004	729,951	728,996	160	729,156	-	728,996	795
SCHOOL DIST CAP IMPROV - NON RES 2005	801,787	801,073	145	801,218	-	801,073	569
SCHOOL DIST CAP IMPROV - NON RES 2006	825,761	824,260	922	825,182	-	824,260	579
SCHOOL DIST CAP IMPROV - NON RES 2007	892,489	889,848	1,829	891,677	-	889,848	812
SCHOOL DIST CAP IMPROV - NON RES 2008	887,007	874,584	9,933	884,517	9,741	884,325	2,490
SCHOOL DIST CAP IMPROV - NON RES 2009	962,437	868,240	80,035	948,275	85,284	953,524	14,162
SCHOOL DIST CAP IMPROV - NON RES 2010	940,446	-	836,945	836,945	828,146	828,146	103,501
<b>Total</b>	<b>\$ 8,345,465</b>	<b>\$ 7,289,252</b>	<b>\$ 930,289</b>	<b>\$ 8,219,541</b>	<b>\$ 923,171</b>	<b>\$ 8,212,423</b>	<b>\$ 125,924</b>
<b>029 GALLUP BRANCH COLLEGE - NON RES</b>							
GALLUP BRANCH COLLEGE - NON RES 2001	\$ 384,916	\$ 384,336	\$ 19	\$ 384,355	\$ -	\$ 384,336	\$ 561
GALLUP BRANCH COLLEGE - NON RES 2002	396,467	395,784	61	395,845	-	395,784	622
GALLUP BRANCH COLLEGE - NON RES 2003	379,446	378,889	80	378,969	-	378,889	477
GALLUP BRANCH COLLEGE - NON RES 2004	367,256	366,728	80	366,808	-	366,728	448
GALLUP BRANCH COLLEGE - NON RES 2005	807,032	806,202	145	806,347	-	806,202	685
GALLUP BRANCH COLLEGE - NON RES 2006	830,924	829,307	923	830,230	-	829,307	694
GALLUP BRANCH COLLEGE - NON RES 2007	897,881	895,122	1,830	896,952	-	895,122	929
GALLUP BRANCH COLLEGE - NON RES 2008	892,420	879,777	10,034	889,811	9,842	889,619	2,608
GALLUP BRANCH COLLEGE - NON RES 2009	967,503	873,086	80,138	953,224	85,386	958,472	14,280
GALLUP BRANCH COLLEGE - NON RES 2010	945,192	-	841,551	841,551	832,752	832,752	103,641
<b>Total</b>	<b>\$ 6,869,037</b>	<b>\$ 5,809,231</b>	<b>\$ 934,861</b>	<b>\$ 6,744,092</b>	<b>\$ 927,980</b>	<b>\$ 6,737,211</b>	<b>\$ 124,945</b>

See accompanying independent auditors' report

STATE OF NEW MEXICO  
McKinley County  
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For the Year Ended June 30, 2011

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>031 REOBOTH CHRISTIAN HOSPITAL - NON RES</b>							
RECHOBOTH CHRISTIAN HOSPITAL - NON RES 2001	\$ 384,916	\$ 384,336	\$ 19	\$ 384,355	\$ -	\$ 384,336	\$ 561
RECHOBOTH CHRISTIAN HOSPITAL - NON RES 2002	396,467	395,784	61	395,845	-	395,784	622
RECHOBOTH CHRISTIAN HOSPITAL - NON RES 2003	379,446	378,889	80	378,969	-	378,889	477
RECHOBOTH CHRISTIAN HOSPITAL - NON RES 2004	734,513	733,456	161	733,617	-	733,456	896
RECHOBOTH CHRISTIAN HOSPITAL - NON RES 2005	807,032	806,202	145	806,347	-	806,202	685
RECHOBOTH CHRISTIAN HOSPITAL - NON RES 2006	830,924	829,307	923	830,230	-	829,307	694
RECHOBOTH CHRISTIAN HOSPITAL - NON RES 2007	897,881	895,122	1,830	896,952	-	895,122	929
RECHOBOTH CHRISTIAN HOSPITAL - NON RES 2008	892,420	879,777	10,034	889,811	9,842	889,619	2,608
RECHOBOTH CHRISTIAN HOSPITAL - NON RES 2009	967,503	873,086	80,138	953,224	85,386	958,472	14,280
RECHOBOTH CHRISTIAN HOSPITAL - NON RES 2010	945,192	-	841,551	841,551	832,752	832,752	103,641
<b>Total</b>	<b>\$ 7,236,293</b>	<b>\$ 6,175,959</b>	<b>\$ 934,941</b>	<b>\$ 7,110,900</b>	<b>\$ 927,980</b>	<b>\$ 7,103,939</b>	<b>\$ 125,393</b>
<b>032 UNM GALLUP SPECIAL VOCATIONAL NON - RES</b>							
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2001	\$ 384,916	\$ 384,336	\$ 19	\$ 384,355	\$ -	\$ 384,336	\$ 561
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2002	396,467	395,784	61	395,845	-	395,784	622
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2003	379,446	378,889	80	378,969	-	378,889	477
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2004	367,256	366,728	80	366,808	-	366,728	448
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2005	403,516	403,101	73	403,174	-	403,101	342
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2006	415,462	414,653	462	415,115	-	414,654	347
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2007	448,941	447,562	914	448,476	-	447,561	465
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2008	446,210	439,889	5,017	444,906	4,921	444,810	1,304
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2009	483,752	436,543	40,069	476,612	42,693	479,236	7,140
UNM GALLUP SPECIAL VOCATIONAL NON-RES 2010	472,596	-	420,776	420,776	416,376	416,376	51,820
<b>Total</b>	<b>\$ 4,198,561</b>	<b>\$ 3,667,485</b>	<b>\$ 467,549</b>	<b>\$ 4,135,034</b>	<b>\$ 463,990</b>	<b>\$ 4,131,475</b>	<b>\$ 63,527</b>
<b>061 RIO SAN JOSE FLOOD CONTROL - RES</b>							
RIO SAN JOSE FLOOD CONTROL - RES 2001	\$ 1,496	\$ 1,495	\$ -	\$ 1,495	\$ -	\$ 1,495	\$ 1
RIO SAN JOSE FLOOD CONTROL - RES 2002	1,563	1,562	-	1,562	-	1,562	1
RIO SAN JOSE FLOOD CONTROL - RES 2003	1,489	1,488	-	1,488	-	1,488	1
RIO SAN JOSE FLOOD CONTROL - RES 2004	1,418	1,417	-	1,417	-	1,417	1
RIO SAN JOSE FLOOD CONTROL - RES 2005	1,666	1,665	-	1,665	3	1,668	1
RIO SAN JOSE FLOOD CONTROL - RES 2006	1,751	1,747	3	1,750	12	1,759	1
RIO SAN JOSE FLOOD CONTROL - RES 2007	2,052	2,034	17	2,051	43	2,077	2
RIO SAN JOSE FLOOD CONTROL - RES 2008	2,121	1,985	128	2,113	142	2,127	8
RIO SAN JOSE FLOOD CONTROL - RES 2009	2,258	1,933	219	2,152	281	2,214	106
RIO SAN JOSE FLOOD CONTROL - RES 2010	2,156	-	1,838	1,838	1,771	1,771	318
<b>Total</b>	<b>\$ 17,971</b>	<b>\$ 15,326</b>	<b>\$ 2,205</b>	<b>\$ 17,531</b>	<b>\$ 2,252</b>	<b>\$ 17,578</b>	<b>\$ 440</b>

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**STATE OF NEW MEXICO**  
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 For the Year Ended June 30, 2011

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>062 RIO SAN JOSE FLOOD CONTROL NON - RES</b>							
RIO SAN JOSE FLOOD CONTROL NON - RES 2001	\$ 24,275	\$ 24,275	\$ -	\$ 24,275	\$ -	\$ 24,275	\$ -
RIO SAN JOSE FLOOD CONTROL NON - RES 2002	23,511	23,510	1	23,511	-	23,511	-
RIO SAN JOSE FLOOD CONTROL NON - RES 2003	23,738	23,738	-	23,738	-	23,738	-
RIO SAN JOSE FLOOD CONTROL NON - RES 2004	24,356	24,356	-	24,356	-	24,356	-
RIO SAN JOSE FLOOD CONTROL NON - RES 2005	23,373	23,369	3	23,372	-	23,369	1
RIO SAN JOSE FLOOD CONTROL NON - RES 2006	24,767	24,758	9	24,767	-	24,758	1
RIO SAN JOSE FLOOD CONTROL NON - RES 2007	26,136	26,106	23	26,129	-	26,106	8
RIO SAN JOSE FLOOD CONTROL NON - RES 2008	26,842	26,737	85	26,822	116	26,853	19
RIO SAN JOSE FLOOD CONTROL NON - RES 2009	23,078	22,793	177	22,970	226	23,019	108
RIO SAN JOSE FLOOD CONTROL NON - RES 2010	20,840	-	20,546	20,546	20,505	20,505	294
<b>Total</b>	<b>\$ 240,916</b>	<b>\$ 219,642</b>	<b>\$ 20,843</b>	<b>\$ 240,485</b>	<b>\$ 20,847</b>	<b>\$ 240,490</b>	<b>\$ 431</b>
<b>101 STATE DEBT SERVICE</b>							
STATE DEBT SERVICE 2001	\$ 679,377	\$ 678,353	\$ 34	\$ 678,387	\$ 284	\$ 678,637	\$ 991
STATE DEBT SERVICE 2002	445,232	444,465	69	444,534	838	445,303	698
STATE DEBT SERVICE 2003	576,757	575,911	121	576,032	1,137	577,048	725
STATE DEBT SERVICE 2004	377,540	376,997	82	377,079	1,138	378,135	460
STATE DEBT SERVICE 2005	497,939	497,426	90	497,516	1,242	498,669	422
STATE DEBT SERVICE 2006	536,361	535,318	595	535,913	7,698	543,016	448
STATE DEBT SERVICE 2007	548,156	546,472	1,117	547,589	39,521	585,993	567
STATE DEBT SERVICE 2008	557,762	549,861	6,271	556,132	49,495	599,356	1,630
STATE DEBT SERVICE 2009	556,314	502,025	46,079	548,104	6,151	508,176	8,211
STATE DEBT SERVICE 2010	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 4,775,439</b>	<b>\$ 4,706,828</b>	<b>\$ 54,458</b>	<b>\$ 4,761,286</b>	<b>\$ 107,504</b>	<b>\$ 4,814,333</b>	<b>\$ 14,154</b>
<b>103 COUNTY DEBT SERVICE</b>							
COUNTY DEBT SERVICE 2001	\$ 408,011	\$ 407,396	\$ 20	\$ 407,416	\$ -	\$ 407,396	\$ 595
COUNTY DEBT SERVICE 2002	492,808	491,959	76	492,035	-	491,959	773
COUNTY DEBT SERVICE 2003	45,913	45,846	9	45,855	-	45,846	58
COUNTY DEBT SERVICE 2004	917,039	915,720	201	915,921	-	915,720	1,118
COUNTY DEBT SERVICE 2005	474,131	473,644	85	473,729	-	473,644	402
COUNTY DEBT SERVICE 2006	483,182	482,242	537	482,779	-	482,242	404
COUNTY DEBT SERVICE 2007	475,428	473,967	969	474,936	-	473,967	492
COUNTY DEBT SERVICE 2008	362,769	357,629	4,079	361,708	4,001	361,630	1,060
COUNTY DEBT SERVICE 2009	-	-	-	-	-	-	-
COUNTY DEBT SERVICE 2010	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 3,659,282</b>	<b>\$ 3,648,403</b>	<b>\$ 5,976</b>	<b>\$ 3,654,379</b>	<b>\$ 4,001</b>	<b>\$ 3,652,404</b>	<b>\$ 4,903</b>

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>105 GALLUP MUNICIPAL DEBT SERVICE</b>							
GALLUP MUNICIPAL DEBT SERVICE 2001	\$ 132,951	\$ 132,627	\$ -	\$ 132,627	\$ -	\$ 132,627	\$ 324
GALLUP MUNICIPAL DEBT SERVICE 2002	135,058	134,601	-	134,601	-	134,601	457
GALLUP MUNICIPAL DEBT SERVICE 2003	244,925	244,692	-	244,692	-	244,692	233
GALLUP MUNICIPAL DEBT SERVICE 2004	253,616	253,370	2	253,372	-	253,370	244
GALLUP MUNICIPAL DEBT SERVICE 2005	286,170	285,866	4	285,870	-	285,866	300
GALLUP MUNICIPAL DEBT SERVICE 2006	184,843	184,282	366	184,648	-	184,281	195
GALLUP MUNICIPAL DEBT SERVICE 2007	335,347	333,616	1,253	334,869	-	333,616	477
GALLUP MUNICIPAL DEBT SERVICE 2008	342,712	332,253	8,787	341,040	8,523	340,776	1,672
GALLUP MUNICIPAL DEBT SERVICE 2009	339,173	306,478	19,985	326,463	24,186	330,664	12,710
GALLUP MUNICIPAL DEBT SERVICE 2010	337,699	-	315,073	315,073	308,778	308,778	22,626
<b>Total</b>	<b>\$ 2,592,494</b>	<b>\$ 2,207,785</b>	<b>\$ 345,471</b>	<b>\$ 2,553,256</b>	<b>\$ 341,487</b>	<b>\$ 2,549,271</b>	<b>\$ 39,238</b>
<b>107 SCHOOL DISTRICT DEBT SERVICE</b>							
SCHOOL DISTRICT DEBT SERVICE 2001	\$ 3,087,346	\$ 3,083,069	\$ 153	\$ 3,083,222	\$ -	\$ 3,083,069	\$ 4,125
SCHOOL DISTRICT DEBT SERVICE 2002	3,179,922	3,174,813	494	3,175,307	-	3,174,813	4,616
SCHOOL DISTRICT DEBT SERVICE 2003	3,028,800	3,024,735	638	3,025,373	-	3,024,735	3,426
SCHOOL DISTRICT DEBT SERVICE 2004	2,940,972	2,937,123	648	2,937,771	-	2,937,123	3,201
SCHOOL DISTRICT DEBT SERVICE 2005	3,253,652	3,250,752	591	3,251,343	-	3,250,752	2,309
SCHOOL DISTRICT DEBT SERVICE 2006	3,348,461	3,342,374	3,740	3,346,114	-	3,342,374	2,347
SCHOOL DISTRICT DEBT SERVICE 2007	3,620,383	3,609,667	7,422	3,617,089	-	3,609,667	3,295
SCHOOL DISTRICT DEBT SERVICE 2008	3,703,697	3,651,825	41,474	3,693,299	40,673	3,692,498	10,397
SCHOOL DISTRICT DEBT SERVICE 2009	4,020,580	3,627,072	334,348	3,961,420	356,274	3,983,346	59,160
SCHOOL DISTRICT DEBT SERVICE 2010	3,935,296	-	3,502,196	3,502,196	3,465,377	3,465,377	433,100
<b>Total</b>	<b>\$ 34,119,109</b>	<b>\$ 29,701,430</b>	<b>\$ 3,891,703</b>	<b>\$ 33,593,133</b>	<b>\$ 3,862,324</b>	<b>\$ 33,563,754</b>	<b>\$ 525,976</b>
<b>110 GALLUP BRANCH DEBT SERVICE</b>							
GALLUP BRANCH DEBT SERVICE 2001	\$ 384,916	\$ 384,336	\$ 19	\$ 384,355	\$ -	\$ 384,336	\$ 561
GALLUP BRANCH DEBT SERVICE 2002	792,933	791,567	121	791,688	-	791,567	1,245
GALLUP BRANCH DEBT SERVICE 2003	758,891	757,779	159	757,938	-	757,778	953
GALLUP BRANCH DEBT SERVICE 2004	734,513	733,456	161	733,617	-	733,456	896
GALLUP BRANCH DEBT SERVICE 2005	1,210,548	1,209,493	28	1,209,521	-	1,209,303	1,027
GALLUP BRANCH DEBT SERVICE 2006	830,924	829,307	923	830,230	-	829,307	694
GALLUP BRANCH DEBT SERVICE 2007	897,881	895,122	1,830	896,952	-	895,122	929
GALLUP BRANCH DEBT SERVICE 2008	892,420	879,777	10,034	889,811	9,842	889,619	2,608
GALLUP BRANCH DEBT SERVICE 2009	1,209,379	1,091,357	100,173	1,191,530	106,733	1,198,091	17,849
GALLUP BRANCH DEBT SERVICE 2010	1,181,490	-	1,051,939	1,051,939	1,040,940	1,040,940	129,551
<b>Total</b>	<b>\$ 8,893,895</b>	<b>\$ 7,572,194</b>	<b>\$ 1,165,386</b>	<b>\$ 8,737,580</b>	<b>\$ 1,157,515</b>	<b>\$ 8,729,519</b>	<b>\$ 156,315</b>

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Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>113 ZUNI SCHOOL DISTRICT OPER NON-RES</b>							
ZUNI SCHOOL DISTRICT OPER NON - RES 2001	\$ 1,339	\$ 1,313	\$ -	\$ 1,313	\$ -	\$ 1,313	\$ 26
ZUNI SCHOOL DISTRICT OPER NON - RES 2002	1,432	1,406	-	1,406	-	1,406	26
ZUNI SCHOOL DISTRICT OPER NON - RES 2003	1,247	1,222	-	1,222	-	1,222	25
ZUNI SCHOOL DISTRICT OPER NON - RES 2004	1,140	1,115	-	1,115	-	1,115	25
ZUNI SCHOOL DISTRICT OPER NON - RES 2005	1,227	1,200	-	1,200	-	1,200	27
ZUNI SCHOOL DISTRICT OPER NON - RES 2006	1,291	1,262	-	1,262	-	1,262	29
ZUNI SCHOOL DISTRICT OPER NON - RES 2007	1,349	1,319	-	1,319	-	1,319	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2008	1,353	1,298	26	1,324	25	1,323	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2009	1,267	1,212	25	1,237	25	1,237	30
ZUNI SCHOOL DISTRICT OPER NON - RES 2010	1,187	-	1,152	1,152	1,152	1,152	35
<b>Total</b>	<b>\$ 12,831</b>	<b>\$ 11,347</b>	<b>\$ 1,202</b>	<b>\$ 12,549</b>	<b>\$ 1,202</b>	<b>\$ 12,549</b>	<b>\$ 282</b>
<b>114 ZUNI SCHOOL DISTRICT DEBT SERV NON-RES</b>							
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2002	-	-	-	-	-	-	-
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2003	2,612	2,559	-	2,559	-	2,559	53
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2004	6,859	6,707	-	6,707	-	6,707	152
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2005	7,083	6,927	-	6,927	-	6,927	156
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2006	7,575	7,405	-	7,405	-	7,405	170
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2007	8,223	8,044	-	8,044	-	8,044	179
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2008	7,445	7,143	140	7,283	139	7,282	162
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2009	12,610	12,063	253	12,316	253	12,316	294
ZUNI SCHOOL DISTRICT DEBT SERV NON - RES 2010	13,723	-	13,319	13,319	13,319	13,319	404
<b>Total</b>	<b>\$ 66,130</b>	<b>\$ 50,848</b>	<b>\$ 13,712</b>	<b>\$ 64,560</b>	<b>\$ 13,711</b>	<b>\$ 64,559</b>	<b>\$ 1,570</b>
<b>115 ZUNI SCHOOL DIST CAP IMPROV NON-RES</b>							
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2001	\$ 5,354	\$ 5,253	\$ -	\$ 5,253	\$ -	\$ 5,253	\$ 101
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2002	5,726	5,625	-	5,625	-	5,625	101
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2003	4,990	4,888	-	4,888	-	4,888	102
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2004	4,562	4,461	-	4,461	-	4,461	101
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2005	4,917	4,809	-	4,809	-	4,809	108
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2006	5,162	5,047	-	5,047	-	5,047	115
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2007	5,392	5,275	-	5,275	-	5,275	117
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2008	5,413	5,193	102	5,295	101	5,294	118
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2009	5,066	4,846	102	4,948	102	4,948	118
ZUNI SCHOOL DIST CAP IMPROV NON - RES 2010	4,746	-	4,606	4,606	4,606	4,606	140
<b>Total</b>	<b>\$ 51,328</b>	<b>\$ 45,397</b>	<b>\$ 4,810</b>	<b>\$ 50,207</b>	<b>\$ 4,809</b>	<b>\$ 50,206</b>	<b>\$ 1,121</b>

See accompanying independent auditors' report

STATE OF NEW MEXICO  
McKinley County  
McKinley County Treasurer Property Tax Schedule  
For the Year Ended June 30, 2011

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>119 ZUNI SCHOOL DIST EDUC TECH NON-RES</b>							
ZUNI SCHOOL DIST EDUC TECH NON - RES 2001	\$ 34,804	\$ 34,146	\$ -	\$ 34,146	\$ -	\$ 34,146	\$ 658
ZUNI SCHOOL DIST EDUC TECH NON - RES 2002	36,949	36,296	-	36,296	-	36,296	653
ZUNI SCHOOL DIST EDUC TECH NON - RES 2003	34,237	33,543	-	33,543	-	33,543	694
ZUNI SCHOOL DIST EDUC TECH NON - RES 2004	53,074	51,896	-	51,896	-	51,896	1,178
ZUNI SCHOOL DIST EDUC TECH NON - RES 2005	38,240	37,398	-	37,398	-	37,398	842
ZUNI SCHOOL DIST EDUC TECH NON - RES 2006	-	-	-	-	-	35,748	-
ZUNI SCHOOL DIST EDUC TECH NON - RES 2007	36,543	35,748	-	35,748	-	23,027	795
ZUNI SCHOOL DIST EDUC TECH NON - RES 2008	24,000	23,027	449	23,476	449	22,149	524
ZUNI SCHOOL DIST EDUC TECH NON - RES 2009	22,684	21,700	456	22,156	456	456	528
ZUNI SCHOOL DIST EDUC TECH NON - RES 2010	21,525	-	20,892	20,892	20,892	20,892	634
<b>Total</b>	<b>\$ 302,057</b>	<b>\$ 273,754</b>	<b>\$ 21,797</b>	<b>\$ 295,551</b>	<b>\$ 21,797</b>	<b>\$ 295,551</b>	<b>\$ 6,506</b>
<b>951 CATTLE INDEMNITY</b>							
CATTLE INDEMNITY 2001	\$ 9,132	\$ 9,132	\$ -	\$ 9,132	\$ -	\$ 9,132	\$ -
CATTLE INDEMNITY 2002	9,991	9,954	-	9,954	-	9,954	37
CATTLE INDEMNITY 2003	10,983	10,947	-	10,947	-	10,947	36
CATTLE INDEMNITY 2004	11,454	11,454	-	11,454	-	11,454	-
CATTLE INDEMNITY 2005	13,747	13,659	-	13,659	-	13,659	88
CATTLE INDEMNITY 2006	18,691	18,502	-	18,502	-	18,502	189
CATTLE INDEMNITY 2007	18,959	18,843	22	18,865	22	18,865	95
CATTLE INDEMNITY 2008	12,501	12,317	37	12,354	20	12,337	147
CATTLE INDEMNITY 2009	-	-	-	-	100	12,898	-
CATTLE INDEMNITY 2010	-	-	-	-	12,869	12,869	-
<b>Total</b>	<b>\$ 105,459</b>	<b>\$ 104,808</b>	<b>\$ 59</b>	<b>\$ 104,867</b>	<b>\$ 13,011</b>	<b>\$ 130,617</b>	<b>\$ 591</b>
<b>952 SHEEP</b>							
SHEEP 2001	\$ 250	\$ 250	\$ -	\$ 250	\$ -	\$ 250	\$ -
SHEEP 2002	262	262	-	262	-	262	-
SHEEP 2003	216	216	-	216	-	216	-
SHEEP 2004	247	247	-	247	-	247	-
SHEEP 2005	282	282	-	282	-	282	-
SHEEP 2006	176	176	-	176	-	176	-
SHEEP 2007	145	145	-	145	-	145	-
SHEEP 2008	145	144	-	144	-	144	1
SHEEP 2009	-	-	-	-	6	93	-
SHEEP 2010	-	-	-	-	90	90	-
<b>Total</b>	<b>\$ 1,723</b>	<b>\$ 1,722</b>	<b>\$ -</b>	<b>\$ 1,722</b>	<b>\$ 96</b>	<b>\$ 1,905</b>	<b>\$ 1</b>

See accompanying independent auditors' report

**STATE OF NEW MEXICO**  
 McKinley County  
 McKinley County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2011

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>953 GOATS</b>							
GOATS 2001	\$ 25	\$ 25	\$ -	\$ 25	\$ -	\$ 25	\$ -
GOATS 2002	38	38	-	38	-	38	-
GOATS 2003	30	30	-	30	-	30	-
GOATS 2004	28	28	-	28	-	28	-
GOATS 2005	32	32	-	32	-	32	-
GOATS 2006	16	16	-	16	-	16	-
GOATS 2007	19	19	-	19	-	19	-
GOATS 2008	59	59	-	59	-	59	-
GOATS 2009	-	-	-	-	7	15	-
GOATS 2010	-	-	-	-	15	15	-
<b>Total</b>	\$ 247	\$ 247	\$ -	\$ 247	\$ 22	\$ 277	\$ -
<b>955 HOGS</b>							
HOGS 2001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HOGS 2002	-	-	-	-	-	-	-
HOGS 2003	1	1	-	1	-	1	-
HOGS 2004	-	-	-	-	-	-	-
HOGS 2005	-	-	-	-	-	-	-
HOGS 2006	-	-	-	-	-	-	-
HOGS 2007	-	-	-	-	-	-	-
HOGS 2008	2	2	-	2	-	2	-
HOGS 2009	-	-	-	-	-	-	-
HOGS 2010	-	-	-	-	-	-	-
<b>Total</b>	\$ 3	\$ 3	\$ -	\$ 3	\$ -	\$ 3	\$ -
<b>956 DAIRY</b>							
DAIRY 2001	\$ 34	\$ 634	\$ (600)	\$ 34	\$ -	\$ 634	\$ -
DAIRY 2002	64	719	(655)	64	-	719	-
DAIRY 2003	21	677	(656)	21	-	677	-
DAIRY 2004	26	808	(782)	26	-	808	-
DAIRY 2005	21	923	(902)	21	-	923	-
DAIRY 2006	14	927	(913)	14	-	927	-
DAIRY 2007	8	769	(761)	8	-	769	-
DAIRY 2008	-	-	-	-	-	-	-
DAIRY 2009	-	-	-	-	-	-	-
DAIRY 2010	-	-	-	-	-	-	-
<b>Total</b>	\$ 187	\$ 5,457	\$ (5,270)	\$ 187	\$ -	\$ 5,457	\$ -

See accompanying independent auditors' report

STATE OF NEW MEXICO  
 McKinley County  
 McKinley County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2011

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>957 BISON</b>							
BISON 2001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BISON 2002	-	-	-	-	-	-	-
BISON 2003	34	34	-	34	-	34	-
BISON 2004	40	40	-	40	-	40	-
BISON 2005	-	-	-	-	-	-	-
BISON 2006	-	-	-	-	-	-	-
BISON 2007	-	-	-	-	-	-	-
BISON 2008	-	-	-	-	-	-	-
BISON 2009	-	-	-	-	-	-	-
BISON 2010	-	-	-	-	-	-	-
<b>Total</b>	\$ 74	\$ 74	\$ -	\$ 74	\$ -	\$ 74	\$ -
<b>980 DCLPEN</b>							
DCLPEN 2001	\$ 1,218	\$ 818	\$ -	\$ 818	\$ -	\$ 818	\$ 400
DCLPEN 2002	6,727	6,499	-	6,499	-	6,499	228
DCLPEN 2003	751	535	-	535	-	535	216
DCLPEN 2004	907	677	-	677	-	677	230
DCLPEN 2005	213	213	-	213	-	213	-
DCLPEN 2006	2,992	2,992	-	2,992	-	2,992	-
DCLPEN 2007	351	351	-	351	-	351	-
DCLPEN 2008	42	-	42	42	-	-	-
DCLPEN 2009	-	-	-	-	-	-	-
DCLPEN 2010	-	-	-	-	-	-	-
<b>Total</b>	\$ 13,201	\$ 12,085	\$ 42	\$ 12,127	\$ -	\$ 12,085	\$ 1,075
<b>990 TREASURER ADMIN FEE</b>							
TREASURER ADMIN FEE 2001	\$ 444	\$ 444	\$ -	\$ 444	\$ -	\$ 444	\$ -
TREASURER ADMIN FEE 2002	434	434	-	434	-	434	-
TREASURER ADMIN FEE 2003	440	440	-	440	-	440	-
TREASURER ADMIN FEE 2004	374	374	-	374	-	374	-
TREASURER ADMIN FEE 2005	513	513	-	513	-	513	-
TREASURER ADMIN FEE 2006	390	390	-	390	-	390	-
TREASURER ADMIN FEE 2007	340	340	-	340	-	343	-
TREASURER ADMIN FEE 2008	357	357	-	357	-	357	-
TREASURER ADMIN FEE 2009	-	-	-	-	-	-	-
TREASURER ADMIN FEE 2010	-	-	-	-	-	-	-
<b>Total</b>	\$ 3,292	\$ 3,292	\$ -	\$ 3,292	\$ -	\$ 3,295	\$ -

See accompanying independent auditors' report



**STATE OF NEW MEXICO**  
 McKinley County  
 McKinley County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2011

**Assessor Special Assessment**

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>951 CATTLE INDEMNITY</b>							
951 CATTLE INDEMNITY 2009	\$ 13,328	\$ 12,798	\$ 85	\$ 12,883	\$ -	\$ -	\$ 445
951 STATE OF NEW MEXICO 2010	13,495	-	12,927	12,927	-	-	568
<b>Total</b>	<b>\$ 26,823</b>	<b>\$ 12,798</b>	<b>\$ 13,013</b>	<b>\$ 25,811</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,012</b>
<b>952 SHEEP</b>							
952 SHEEP 2009	\$ 94	\$ 87	\$ 5	\$ 92	\$ -	\$ -	\$ 2
952 STATE OF NEW MEXICO 2010	94	-	90	90	-	-	4
<b>Total</b>	<b>\$ 188</b>	<b>\$ 87</b>	<b>\$ 95</b>	<b>\$ 182</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6</b>
<b>953 GOATS</b>							
953 GOATS 2009	\$ 17	\$ 11	\$ 4	\$ 15	\$ -	\$ -	\$ 2
953 STATE OF NEW MEXICO 2010	15	-	15	15	-	-	-
<b>Total</b>	<b>\$ 32</b>	<b>\$ 11</b>	<b>\$ 19</b>	<b>\$ 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2</b>
<b>954 HORSES, MULES, &amp; ASSES</b>							
HORSES, MULES & ASSES 2009	\$ 377	\$ 289	\$ 26	\$ 315	\$ 27	\$ 315	\$ 62
HORSES, MULES & ASSES 2010	401	-	324	324	324	324	77
<b>Total</b>	<b>\$ 778</b>	<b>\$ 289</b>	<b>\$ 350</b>	<b>\$ 639</b>	<b>\$ 351</b>	<b>\$ 639</b>	<b>\$ 138</b>
<b>955 HOGS</b>							
955 HOGS 2009	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
955 STATE OF NEW MEXICO 2010	1	-	3	-	-	-	1
<b>Total</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>
<b>956 STATE OF NEW MEXICO</b>							
956 STATE OF NEW MEXICO 2010	\$ 11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11
<b>Total</b>	<b>\$ 11</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11</b>
<b>958 ALPACA &amp; LLAMA</b>							
ALPACA & LLAMA 2010	\$ 5	\$ 2	\$ -	\$ 2	\$ -	\$ -	\$ 3
<b>Total</b>	<b>\$ 5</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ 2</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3</b>

See accompanying independent auditors' report

**STATE OF NEW MEXICO**  
 McKinley County  
 McKinley County Treasurer Property Tax Schedule  
 For the Year Ended June 30, 2011

Agency	Property Taxes Levied	Previous Amount Collected	Collected In Current Year	Collected To Date	Distributed In Current Year	Distributed To Date	County Receivable at Year End
<b>GRAND TOTALS</b>	\$ 208,739,553	\$ 181,178,746	\$ 24,429,593	\$ 205,608,336	\$ 24,358,088	\$ 205,536,834	\$ 3,131,217
2001	\$ 17,089,644	\$ 17,068,355	\$ 864	\$ 17,069,219	\$ 961	\$ 17,069,313	\$ 20,424
2002	17,905,721	17,879,842	2,173	17,882,015	2,373	17,882,215	23,706
2003	17,382,463	17,362,677	3,027	17,365,704	3,464	17,366,140	16,759
2004	18,893,394	18,869,466	3,786	18,873,252	3,723	18,873,189	20,141
2005	21,210,091	21,189,322	3,460	21,192,782	5,236	21,194,370	17,309
2006	21,061,472	21,019,234	25,042	21,044,276	29,067	21,083,796	17,196
2007	22,935,446	22,809,967	91,594	22,901,561	164,710	22,962,230	33,885
2008	23,193,641	22,665,945	389,046	23,054,991	411,435	23,076,069	138,650
2009	24,534,156	22,313,936	1,665,283	23,979,219	1,824,879	24,117,264	554,937
2010	24,533,525	2	22,245,315	22,245,314	21,912,240	21,912,248	2,288,211
	\$ 208,739,553	\$ 181,178,746	\$ 24,429,593	\$ 205,608,336	\$ 24,358,088	\$ 205,536,834	\$ 3,131,218

See accompanying independent auditors' report

**STATE OF NEW MEXICO**  
 McKinley County  
 Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds  
 For the Year Ended June 30, 2011

Schedule V

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<i>Assets</i>				
Cash	\$ 59,446	\$ 17,138,555	\$ 16,662,436	\$ 535,565
Investments	1,502,736	-	858,145	644,591
Property taxes receivable	2,189,293	17,776,605	17,768,594	2,197,304
<i>Total assets</i>	<u>\$ 3,751,475</u>	<u>\$ 34,915,160</u>	<u>\$ 35,289,175</u>	<u>\$ 3,377,460</u>
 <i>Liabilities</i>				
Deposits held in trust	\$ 1,562,182	\$ 17,138,555	\$ 17,520,581	\$ 1,180,156
Due to other taxing entities	2,189,293	17,776,605	17,768,594	2,197,304
<i>Total liabilities</i>	<u>\$ 3,751,475</u>	<u>\$ 34,915,160</u>	<u>\$ 35,289,175</u>	<u>\$ 3,377,460</u>

See accompanying independent auditors' report

**COMPLIANCE SECTION**



**Accounting & Consulting Group, LLP**  
Certified Public Accountants

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

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

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparisons for the general fund and major special revenue funds and the aggregate remaining fund information of McKinley County, New Mexico (County), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents and have issued our report thereon dated November 8, 2011. We also have audited the financial statements of each of the County's nonmajor governmental funds, and the budgetary comparisons for the remaining nonmajor governmental funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2011 as listed in the table of contents. 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 the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items FS 09-02, FS 09-04, FS 10-02, FS 10-03, and FS 11-01 to be material weaknesses.

### Compliance and Other Matters

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

We noted certain matters that are required to be reported pursuant to *Government Auditing Standards* paragraphs 5.14 and 5.16, and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and responses as items FS 11-02, FS 11-03, and FS 11-04.

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

This report is intended solely for the information and use of management, others within the organization, the County Commission, the Office of the State Auditor, the New Mexico State Legislature and its committees, the New Mexico Department of Finance and Administration, and applicable federal grantors and is not intended to be and should not be used by anyone other than these specified parties.

Accounting & Consulting Group, LLP

Accounting & Consulting Group, LLP  
Albuquerque, New Mexico  
November 8, 2011

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**STATE OF NEW MEXICO**  
McKinley County  
Schedule of Findings and Responses  
June 30, 2011

**Section I – Summary or Audit Results:**

*Financial Statements:*

- |  |             |
|--|-------------|
| 1. Type of auditors' report issued   | Unqualified |
| 2. Internal control over financial reporting:                                    |             |
| a. Material weaknesses identified?   | Yes         |
| b. Significant deficiencies identified not considered to be material weaknesses? | No          |
| c. Noncompliance material to the financial statements noted?                     | Yes         |



**Section II – Financial Statement Findings**

**FS 09-02 — Cash Adjustments (Repeat/Modified) – Material Weakness**

*Condition:* During our audit procedures, we discovered that there was an error in posting an adjustment related to the prior year which had to be reversed to cash in the amount of \$319,440 in order for cash to reconcile to the general ledger.

*Criteria:* Section 4-43-2 of NMSA 1978 requires that the County keep:

- Account of all money received and disbursed;
- Regular accounts of all checks and warrants drawn on the treasury and paid; and
- The books, papers and money pertaining to his/her office ready for inspection by the board of County Commissioners at all times.

*Effect:* The effect of this inaccurate posting is that the general ledger did not tie to the treasurer's cash reconciliation in the amount of \$319,440.

*Cause:* The Treasurer's Office and the County Finance Office balances were not reconciled to each other properly.

*Auditors' Recommendations:* We recommend that the County Finance office and Treasurer's office work together to ensure that they have the same reconciled balances for all bank accounts. Lastly, we recommend a documented review be performed on all bank reconciliations.

*Management Response:* McKinley County Management has noted the condition. This was a prior period adjustment posted in the wrong period. Error will be corrected with a Journal Entry by the Auditor.

**Section II – Financial Statement Findings**

**FS 09-04 — PERA Reporting Submissions (Repeat/Modified) – Material Weakness/Noncompliance**

*Condition:* During our test over PERA, we noted that the PERA reports did not match the general ledger by both wages reported and PERA employer contributions in the amounts of \$172,317.51 and \$33,880.

*Criteria:* 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:* The effect of this inaccurate reporting may result in interest charges and errors in employee compensation.

*Cause:* The Finance Office incorrectly reconciled the PERA reports and submitted them without any review process.

*Auditors' Recommendation:* We recommend that the County Finance Office implement internal controls to properly report wages and PERA employer contributions in a timely manner.

*Management Response:* McKinley County Payroll Department picked up the wrong amount when submitting the PERA remittance report. The report will be amended to correct the error.

**Section II – Financial Statement Findings (continued)**

**FS 10-02 — Accounting Conversion Journal Entries (Repeat/Modified) – Material Weakness**

*Condition:* During the prior year, as a result of an accounting system transition, the County carried over accrued liability amounts related to cash in the amount of \$72,458 that had to be reversed in order to reconcile cash.

*Criteria:* Per proper accounting procedures, effective internal controls should exist to protect the integrity of account balances during transitions between accounting software systems.

*Effect:* The County's cash and liabilities were incorrectly posted to the general ledger leaving a variance in the cash reconciliation.

*Cause:* The Finance Office incorrectly reconciled the liabilities in the cash accounts.

*Auditors' Recommendation:* We recommend that the County Finance Office implement internal controls to properly reconcile all accounts to the treasurer's report on a timely basis.

*Management Response:* McKinley County acknowledges the condition and is changing procedures to correct this problem with the program. Error will be corrected with a Journal Entry by the Auditor.

**Section II – Financial Statement Findings (continued)**

**FS 10-03 — Capital Asset Accounting System (Repeat/Modified) – Material Weakness**

*Condition:* The County is not accurately maintaining their capital asset inventory. Through review of the capital outlay expenditures, it was noted that the County had several assets on their asset listing as additions in current year, which should have been added in the prior year. The County is not properly recording the capital asset additions to the capital asset inventory.

*Criteria:* Per section 2.20.1.10 of NMAC, capital assets acquired through purchase shall be recorded at cost. Capital assets include assets constructed by agency personnel. Per Section 2.20.1.14 of NMAC, repairs and maintenance on capital assets which are routine and necessary for continued, safe, and productive operation, should be charged to maintenance expense in the period in which they occur. GASB 34 paragraph 20 requires capital assets to be reported, net of accumulated depreciation, in the statement of net assets. Section 12-6-10, NMSA 1978, requires all agencies to conduct a physical inventory of their capital assets inventory at the end of each fiscal year. Section 12-6-10, NMSA 1978 also changed the capitalization threshold to items that cost more than \$5,000, effective June 17, 2005.

*Effect:* The County could misstate the value of their capital assets which could materially misstate the financial statements. The County could also expense capital assets instead of accounting for the assets and tracking depreciation as required by GASB 34.

*Cause:* The County does not have adequate internal controls to verify that capital assets are being accounted for and capitalized accurately.

*Auditors' Recommendations:* The County should conduct an annual physical inventory of its capital assets as required by statute. The County should implement internal controls to verify that all capital assets are added to the capital asset inventory correctly.

*Management Response:* McKinley County acknowledges this breakdown in procedure and has implemented additional procedures to prevent this material weakness. Staffing issues may have to be addressed also to insure proper accounting.

**Section II – Financial Statement Findings (continued)**

**FS 11-01 — Deficiencies in Design over Internal Controls – Material Weakness**

*Condition:* The County's internal control structure is inadequate. The County does not have a comprehensive documented internal control system over financial information. The County does not maintain proper oversight or monitoring in regards to the County's accounting activities. The County has not taken the proper counter measures to monitor and mitigate the risk for fraud, misappropriation of assets, or misstatement of financial statements. During our audit, we noted the following internal control deficiencies:

- Insufficient internal controls over employee and vendor master files
- Insufficient internal controls over manual journal entries
- We reviewed several overtime sheets noting it was signed, but the advance approval column for the overtime was not signed for employees in most departments.
- We reviewed several time sheets and time stamp cards. The time cards are filled out and approved by the department. However, for time stamp cards from the computer system, 5 out of 10 items selected were missing the electronic print out of the time and instead had the time entered by an employee in pencil or pen. There was no supervisor sign-off on the time card.
- Payroll department is reentering all HR information into the accounting system once HR enters the information into their system, leaving the payroll department performing the HR and payroll function, with the ability to add employees, rates, deductions, and run payroll.
- There is insufficient segregation of duties with the Finance Director position, where the Finance Director has the ability to perform all duties related to the payroll process.
- Lack of proper "Tone from the top" regarding County policies
- Employees that have left the County in prior years and have been paid their accrued vacation, are still in the payroll system with accrued vacation amounts
- Internal controls over disposition of assets
- Financial statements and related footnote disclosures were not prepared by the County
- The County's accounts payable listing was materially incorrect at year end

*Criteria:* NMAC 6.20.2.11 states:

A. Every County shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

B. Each County shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

- (1) County management must ensure that protection of the public trust is a major focus when granting the authorization to execute business of the County.
- (2) Employees handling significant amounts of cash must be adequately bonded. Access to assets is permitted only in accordance with County authorization.
- (3) Receipts, checks or warrants, purchase orders, and vouchers shall be sequentially pre-numbered.
- (4) The County shall have proper safeguards to protect unused checks and other pre-numbered forms, undeposited cash and other receipts, and facsimile signature plates.
- (5) Transactions are to be recorded as necessary to permit preparation of financial statements in conformity with GAAP. In addition, Counties shall establish any other criteria applicable to such statements to maintain accountability for assets.

**Section II – Financial Statement Findings (continued)**

**FS 11-01 — Deficiencies in Design over Internal Controls (continued)– Material Weakness**

(6) Counties shall conduct independent checks on performance and proper valuation of recorded amounts, such as clerical checks, reconciliations, comparison of assets with recorded accountability, computer-programmed controls, management review of reports that summarize the detail of account balances, and user review of computer generated reports.

C. An internal control structure is required to demonstrate the County’s ability to record, process, summarize and report financial data consistent with the following financial statement assertions:

- (1) rights and ownership;
- (2) existence and occurrence;
- (3) valuation and allocations;
- (4) completeness; and,
- (5) presentation and disclosure.

D. The internal control structure shall demonstrate that the County identifies applicable laws and regulations, and that procedures are designed to provide reasonable assurance that the County complies with those laws and regulations. Internal control procedures shall be established, implemented and documented through County correspondence, manuals, training, and other additional methods. Appropriate internal control procedures shall be adopted by the local board within a County to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and encourage adherence to prescribed managerial policies. The internal control structure shall address all County transactions.

The SAS No. 115 Appendix lists the following circumstances as possible control deficiency, significant deficiency, or material weakness, “inadequate documentation of the components of internal control.” SAS 115 paragraph 19 states that ineffective oversight of the agency’s financial reporting and internal control by those charged with governance should be regarded as at least a significant deficiency and a strong indicator of a material weakness in internal control.

*Effect:* Because certain internal controls have weaknesses in design, key controls are not in place to properly safeguard assets and prevent or detect misstatements within the areas above.

*Cause:* The County has not performed a recent risk assessment for those key controls in place to prevent and detect errors or fraud.

*Auditors’ Recommendations:* The County should ensure that a comprehensive internal control structure over financial information is designed, documented, and implemented. Management should follow and ensure that all staff follows the County’s documented internal control procedures. The County Commission is charged with governance and should provide effective oversight of the internal control and financial reporting process.

*Management Response:* McKinley County has taken the following actions regarding the deficiencies in design over internal controls:

1. Vendor Master files will be maintained by the Purchasing Agents and Permissions in the system will be maintained by the IT department.
2. Manual Journal Entries are reviewed by Chief Deputy Treasurer in Treasurer’s office and the Finance Director in the Finance Department, and now will be signing off as reviewed.
3. Supervisors are now signing the “prior approval box” on the overtime form.
4. Supervisors are now signing off on time cards in the event that a time stamp cannot be obtained.
5. Upper Management is in the process of changing this procedure to reflect the HR department entering New Hires and changes into the NWS.
6. The IT department will be changing the Finance Director’s permissions in NWS so payroll processing is not an available function.

**Section II – Financial Statement Findings (continued)**

**FS 11-01 — Deficiencies in Design over Internal Controls (continued)– Material Weakness**

7. The McKinley County Commissioners as policy makers have instructed the County's Upper Management team to revise and update outdated policies and procedures to comply with current DFA policies and procedures.
8. The payroll department is reviewing and correcting the accrued hours left in the system upon the separation of an employee from McKinley County.
9. McKinley County's Procurement and Finance departments are reviewing the State Auditor's Rule on disposition of Assets and will change policy to reflect the proper disposal procedures.
10. McKinley County's Finance department has revised the reconciliation procedures to ensure that material restatements do not affect the financial statements.
11. The Finance department has changed year-end procedures to fairly present the accounts payable.

Additional Comment: Areas of staff weakness will be addressed to insure proper accounting is maintained.

**Section II – Financial Statement Findings (continued)**

**FS 11-02 — Stale Dated Checks- Other Matters**

*Condition:* The County has 56 stale dated checks on its bank reconciliations totaling \$8,180.16 that have been outstanding for more than a year. The County has not reported the payees or turned over the funds to the Unclaimed Property Division of the New Mexico Taxation and Revenue Department.

*Criteria:* Section 7-8A, NMSA 1978, and related regulations require that the County provide information about the payees and the related funds to Unclaimed Property Division of the New Mexico Taxation and Revenue Department for outstanding checks that were distributed but not cashed within one year.

*Effect:* Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

*Cause:* The County has not reviewed the outstanding check listing in a timely manner.

*Auditors' Recommendations:* The County should implement policies and procedures to ensure that the Unclaimed Property Division of the New Mexico Taxation and Revenue Department is properly notified regarding stale dated checks.

*Management Response:* The 56 stale dated checks are in the process of being voided and either reissued or turned over to the Unclaimed Property Division at the State of New Mexico. The Finance Department is reviewing NWS for stale dated checks on a monthly basis



**Section II – Financial Statement Findings (continued)**

**FS 11-03 — Travel and Per Diem- Other Matters**

*Condition:* During testwork we noted the following conditions:

- 1 out of 25 times where employee was reimbursed at a rate of \$14 for a partial day (2-6 hrs) as opposed to \$12 per state audit rule.
- 3 out of 25 times where County was using a rate of \$45 for meals (per diem) for Santa Fe instead of \$30 as per state rule.
- 1 out of 25 times where Employee was paid both at actual rates during trip and per diem rates for hotel within the same trip.
- 10 out of 25 times where the employee was paid for actual expenses for parking and taxis and also paid the \$6 per day per diem for such expenses.
- 1 out of 25 times where the employee was paid for an extra days per diem in the amount of \$85.
- 1 out of 25 times where the employee was reimbursed for parking while support documents indicated it was paid for with a P Card in the amount of \$6.
- 1 out of 25 times where employee was paid \$51 per diem for meals with no receipts attached. Per Diem is \$30 maximum per day.

*Criteria:* NMAC 6.20.2.19 requires the County to comply with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-4, for all per diem and reimbursement rates.

*Effect:* The County has overpaid monies for reimbursements using public funds.

*Cause:* The County has been following their own policy for travel and per diem, as well as there has been oversights by management when reviewing reimbursements.

*Auditors' Recommendation:* We recommend the County follow the Per Diem and Mileage Act when paying per diem and travel reimbursements.

*Management Response:* McKinley County has made an addendum to its current policy to coincide with DFA's travel, mileage and per diem act. The County is setting up additional training meetings to educate employees and Commissioners of those changes

**Section II – Financial Statement Findings (continued)**

**FS 11-04 — Personal Use of County Vehicle- Other Matters**

*Condition:* The County did not add personal use to one previous employee's W-2 form which results in annual under reporting of employee income and tax liability.

*Criteria:* Per Internal Revenue Regulation 1.61-21, Taxation of Fringe Benefits, the Internal Revenue Code requires that any personal use of a County vehicle be reported on the employee's W-2 form unless it is a qualified vehicle or employee. To be a qualified vehicle, it must be a vehicle modified for specific use or the employee must have arrest powers and the right to be armed.

*Effect:* The County is not complying with the IRS regulations regarding personal use of a company vehicle. This could result in possible fines or other penalties from the IRS.

*Cause:* At the request of the previous County Manager, a \$747 charge for the vehicle was to be added to a former employee's W-2, however because the employee was not active, the system did not correctly add the fee and it was not included on the W-2. The County should have included a vehicle fringe benefit at a prorated amount on the W-2.

*Auditors' Recommendation:* The County needs to follow their policy and procedure regarding the personal use of vehicles.

*Management Response:* McKinley County has noted this condition and further review procedures are in place to prevent not being added to employee's W-2

**Section III – Summary of Prior Year Audit Findings**

- FS 07-03 – Compliance with SAS 112- Resolved
- FS 09-01 – Audit Report Not Submitted Timely – Resolved
- FS 09-02 – Bank Reconciliations – Repeat/Modified
- FS 09-04 – PERA & RCH Report Submission – Repeat/Modified
- FS 10-01 – Pledged Collateral- Cash Equivalents and Deposits – Resolved
- FS 10-02 – Accounting Conversion Journal Entries – Repeat/Modified
- FS 10-03 – Capital Assets Accounting System – Repeat/Modified
- FS 10-04 – Lack of Supporting Documentation – Resolved
- FS 10-05 – Personnel Files – Resolved
- FS 10-06 – Procurement and Bidding Process – Resolved

**STATE OF NEW MEXICO**

McKinley County

Other Disclosures

June 30, 2011

**Exit Conference**

An exit conference was held on November 10, 2011. In attendance were the following:

**Representing McKinley County:**

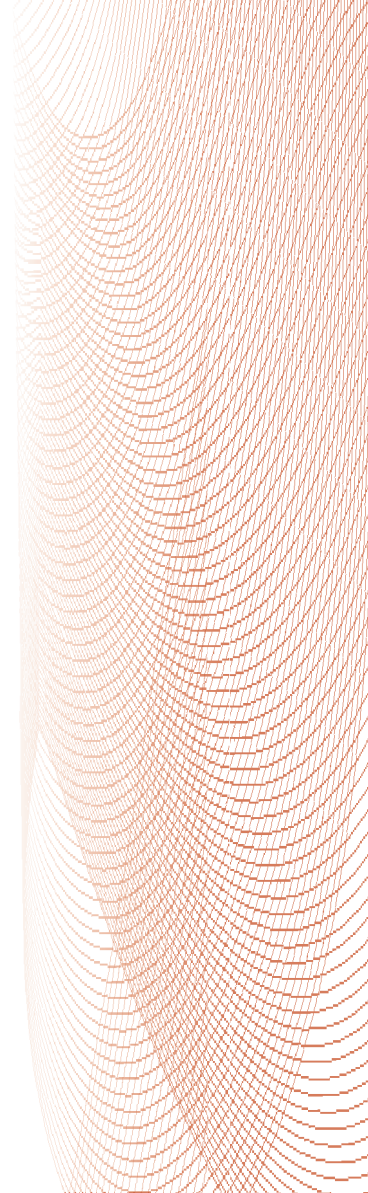
Richard Kontz, County Manager  
Sara Keeler, Finance Director  
Richard Bowman, County Treasurer  
Josephine Alonzo, County Deputy Treasurer  
Carol Bowman-Muskett, County Commissioner – Chairman  
David R. Dallago, Jr., County Commissioner  
Shannon Gomez- Deputy Human Resources Administrator

**Representing Accounting & Consulting Group, LLP:**

Ray Roberts, CPA, Managing Partner

**Auditor Prepared Financial Statements**

Accounting and Consulting, Group, LLP prepared the GAAP-basis financial statements and footnotes of McKinley County from the original books and records provided to them by the management of the County. The responsibility for the financial statements remains with the County.



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