

STATE OF NEW MEXICO
COUNTY OF QUAY

ANNUAL FINANCIAL REPORT AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2008

STATE OF NEW MEXICO
COUNTY OF QUAY

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2008

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STATE OF NEW MEXICO
COUNTY OF QUAY

OFFICIAL ROSTER
As of June 30, 2008

COUNTY COMMISSION

Franklin D. McCasland
Bill Curry
Robert Lopez

Chairman
Commissioner
Commissioner

ELECTED OFFICIALS

Donna Dominguez (elected in November, 2008) and
Nadine Angel (previous Treasurer)
Ellen White
Janie Murray
Sue Moore
Joe Shallert

Treasurer
Clerk
Assessor
Probate Judge
Sheriff

ADMINISTRATIVE OFFICIAL

Richard Primrose

County Manager

FINANCIAL SECTION

R. Kelly McFarland

Certified Public Accountant
A Professional Corporation

Member American Institute
of Certified Public Accountants



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INDEPENDENT AUDITOR'S REPORT

Members of the Board of County Commissioners
Quay County
Tucumcari, New Mexico
and
Mr. Hector H. Balderas
State Auditor
Santa Fe, New Mexico

I was engaged to audit the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information and the budgetary comparisons of the General Fund, Road Fund and Detention Center Special Revenue Funds of Quay County, New Mexico as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. I was also engaged to audit the financial statements of each of the County's nonmajor governmental and fiduciary funds, including budgetary comparisons, presented as supplemental information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of Quay County, New Mexico's management.

Prior to the current fiscal year, Quay County, New Mexico did not maintain detailed records of its capital assets. Capital assets were inventoried during the current fiscal year; however, the inventory of assets was not complete to include all assets of County Government, such as the County Hospital and its equipment. Value assigned to some equipment was not documented in accordance with GASB 34 methods of estimating historical cost. Capitalized costs of buildings included land and the modified approach elected by the County, as provided by GASB 34, was not fully implemented.

Quay County, New Mexico was unable to reconcile the detail uncollected property taxes receivable subsidiary ledger to the books of account and in addition, reports are not available which reflect the portion of undistributed property taxes receivable the County collects for other governmental jurisdictions.

Sole Community Provider pass-through grant funding, paid directly to the County Hospital by the grantor, was not recorded as revenue and a disbursement to the County Hospital on the books of account. Accounting principles generally accepted in the United States of America require that pass-through grants be recorded by the recipient government if it has oversight responsibility. As state law requires oversight by the County Government, recording the revenues and disbursement to the County Hospital is required. The amount of the pass-through grant has not been determined.

I was unable to apply other auditing procedures to satisfy myself about the carrying amount of the capital assets and uncollected property taxes receivable or the liability to other governmental units for uncollected property taxes or the effects on revenue and expenses resulting from a lack of records to properly reflect the distribution of uncollected property taxes receivable and from not recording Sole Community Provider pass-through grant funding, in accordance with auditing standards generally

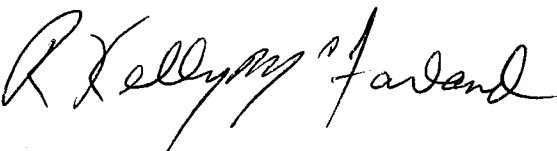
accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

Because of the significance of the matters discussed in the second, third and fourth paragraphs above, I am unable to express an opinion and I do not express an opinion on the basic financial statements or the supplemental information of Quay County, New Mexico as of and for the year ended June 30, 2008, referred to in the first paragraph.

In accordance with *Governmental Auditing Standards*, I have also issued my report dated April, 24, 2009, on my consideration of Quay County, New Mexico's internal control over financial reporting and my 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 my 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 my audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of my audit.

Quay County, New Mexico has not presented the Management's Discussion and Analysis for the year ended June 30, 2008, which is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board.

I was engaged for the purpose of forming opinions on the financial statements that collectively comprise Quay County, New Mexico's basic financial statements and the combining and individual fund financial statements and budgetary comparisons. The accompanying Supporting Schedules listed in the Table of Contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements and the combining and individual fund financial statements and budgetary comparisons of Quay County, New Mexico. The scope of my audit was limited as discussed in paragraphs two, three and four above and because of the significance of these matters, I do not express an opinion on the basic financial statements and the combining and individual fund financial statements; accordingly, the Supporting Schedules listed in the Table of Contents have not been subjected to auditing procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*; therefore, I do not express an opinion as to the Supporting Schedules listed in the Table of Contents in relation to the basic financial statements taken as a whole.



April 24, 2009

BASIC FINANCIAL STATEMENTS

COUNTY OF QUAY, NEW MEXICO

Statement of Net Assets
June 30, 2008

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 3,464,162
Other receivables	439,034
Delinquent property taxes receivable, net	727,500
Capital assets, net	<u>8,246,523</u>
 Total assets	 <u><u>\$ 12,877,219</u></u>
<u>LIABILITIES</u>	
Accounts payable	\$ 118,664
Accrued salary payable	33,077
Deferred revenue	5,000
Compensated absences payable	98,322
Uncollected property taxes	727,500
Current liabilities - due within one year	129,876
Noncurrent liabilities - due in more than one year	<u>642,013</u>
 Total liabilities	 1,754,452
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	7,474,634
Restricted for:	
Debt service	0
Special revenue	1,597,311
Unrestricted	<u>2,050,822</u>
 Total net assets	 <u>11,122,767</u>
 Total liabilities and net assets	 <u><u>\$ 12,877,219</u></u>

The accompanying notes are an integral part of these financial statements

COUNTY OF QUAY, NEW MEXICO

Statement of Activities
 For the year ended June 30, 2008

<u>Functions / Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
General government	\$ 2,066,111	\$ 79,336	\$ 473,283
Public safety	2,270,135	581,332	756,578
Highways and streets	1,261,046	100	225,753
Culture and recreation	26,788		
Health and welfare	149,296	800	
Depreciation - unallocated	571,424		
Interest on long-term debt	9,809		
Total	\$ 6,354,609	\$ 661,568	\$ 1,455,614

General revenues:

- Property taxes
- Governmental gross receipts tax
- Oil and gas
- Motor vehicle registration
- Gas taxes
- Licenses and permits
- Fines and forfeits
- Franchise tax
- Miscellaneous
- Payment in lieu of taxes

Total general revenues

Change in net assets

Net assets - beginning of year, as previously reported

Prior period adjustments:

- Long-term debt (Note 6)
- Governmental Funds (Note 14)
- Capital assets (Note 5)

Net assets - beginning of year, as restated

Net assets - end of year

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

Net (Expenses)
Revenues and
Changes in Net
Assets

Capital Grants and Contributions	Total Governmental Activities
\$ 159,442	\$ (1,354,050)
-	(932,225)
368,381	(666,812)
16,305	(10,483)
144,250	(4,246)
	(571,424)
	(9,809)
\$ 688,378	(3,549,049)
	1,043,229
	1,666,057
	49,610
	423,994
	185,708
	5,570
	9,355
	499
	174,743
	349,867
	3,908,632
	359,583
	6,325,501
	457,960
	(58,733)
	4,038,456
	10,763,184
	\$ 11,122,767

COUNTY OF QUAY, NEW MEXICO

Balance Sheet
 Governmental Funds
 June 30, 2008

	<u>General Fund</u>	<u>Road Fund</u>	<u>Detention Center</u>	<u>Other Governmental Funds</u>
<u>ASSETS</u>				
Cash and investments	\$ 1,011,146	\$ 350,301	\$ 129,599	\$ 1,973,116
Other receivables	88,787	40,739	40,671	268,837
Due from other funds	65,246	-	-	-
Delinquent property tax receivable, net	727,500	-	-	-
Total assets	\$ 1,892,679	\$ 391,040	\$ 170,270	\$ 2,241,953
<u>LIABILITIES</u>				
Accounts payable	\$ 103,544	\$ -	\$ 13,414	\$ 1,706
Deferred revenue	-	-	-	5,000
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	65,246
Delinquent property taxes	727,500	-	-	-
Accrued salary payable	24,713	8,364	-	-
Total liabilities	855,757	8,364	13,414	71,952
<u>FUND BALANCE</u>				
Unreserved:				
Designated for subsequent year's expenditures				
General fund	401,611	-	-	-
Special revenue funds	-	-	-	474,262
Capital project funds	-	-	-	-
Undesignated				
General fund	635,311	-	-	-
Special revenue funds	-	382,676	156,856	1,676,010
Capital project funds	-	-	-	19,729
Total fund balance	1,036,922	382,676	156,856	2,170,001
Total liabilities and fund balance	\$ 1,892,679	\$ 391,040	\$ 170,270	\$ 2,241,953

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

Fund balances - total governmental funds, as restated

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

Capital assets

Accumulated depreciation

Accrued compensated absences not recognized

Long-term liabilities, including notes payable and capital leases, are not due and payable in the current period and, therefore, are not reported in the funds

Net assets of governmental activities

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

Total
Governmental
Activities
\$ 3,464,162
439,034
65,246
727,500

\$ 4,695,942

\$ 118,664
5,000
-
65,246
727,500
33,077

949,487

401,611
474,262
-

635,311
2,215,542
19,729

3,746,455

\$ 4,695,942

\$ 3,746,455

26,232,491
(17,985,968)

(98,322)

(771,889)

\$ 11,122,767

COUNTY OF QUAY, NEW MEXICO

Statements of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 For the year ended June 30, 2008

	General Fund	Road Fund	Detention Center
Revenue:			
Taxes (Note 15)	\$ 1,832,405	\$ 183,958	\$ 201,602
Licenses and permits	124,547	305,017	-
Charges for services	84,728	100	32,866
Fines and forfeits	9,355	-	-
Miscellaneous	3,371	105	168,917
Intergovernmental	475,989	492,607	339,033
Investment earnings	93,689	6,962	-
Total revenues	<u>2,624,084</u>	<u>988,749</u>	<u>742,418</u>
Expenditures:			
Current:			
General government	1,565,237	-	-
Public safety	496,522	-	954,552
Highways and streets	-	1,199,081	-
Culture and recreation	-	-	-
Health and welfare	-	-	-
Capital outlay	230,978	10,564	-
Debt service	-	-	-
Principal and interest payments	7,394	37,009	3,759
Total expenditures	<u>2,300,131</u>	<u>1,246,654</u>	<u>958,311</u>
Excess (deficiency) of revenues over expenditures	323,953	(257,905)	(215,893)
Other financing sources (uses):			
Operating transfers in	42,312	368,553	300,000
Operating transfers (out)	(755,052)	(20,000)	-
Proceeds from loans and capital leases	-	10,564	-
Total other financing sources over other financing (uses)	<u>(712,740)</u>	<u>359,117</u>	<u>300,000</u>
Net change in fund balances	(388,787)	101,212	84,107
Fund balance , beginning of year as previously reported	<u>1,436,190</u>	<u>307,816</u>	<u>94,649</u>
Prior period adjustments: (Note 14)	-	-	-
Prior year revenue not properly accrued	(10,481)	(26,352)	(21,900)
Fund balance, beginning of year as restated	1,425,709	281,464	72,749
Fund balance, end of year	<u>\$ 1,036,922</u>	<u>\$ 382,676</u>	<u>\$ 156,856</u>

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

Other Governmental Funds	Total Governmental Activities
\$ 1,167,409	\$ 3,385,374
-	429,564
9,686	127,380
31,737	41,092
36,214	208,607
1,177,987	2,485,616
28,859	129,510
<u>2,451,892</u>	<u>6,807,143</u>
585,090	2,150,327
819,061	2,270,135
-	1,199,081
16,305	16,305
149,296	149,296
157,219	398,761
<u>78,955</u>	<u>127,117</u>
<u>1,805,926</u>	<u>6,311,022</u>
645,966	496,121
387,499	1,098,364
(323,312)	(1,098,364)
-	10,564
<u>64,187</u>	<u>10,564</u>
710,153	506,685
<u>1,459,848</u>	<u>3,298,503</u>
-	(58,733)
<u>1,459,848</u>	<u>3,239,770</u>
<u>\$ 2,170,001</u>	<u>\$ 3,746,455</u>

COUNTY OF QUAY, NEW MEXICO

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the year ended June 30, 2008

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

Net change in fund balance - total governmental funds	\$ 506,685
<p>Governmental funds report capital outlay 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. This is the amount by which depreciation exceeded capital outlay in the current period.</p>	
Capital assets	398,761
Depreciation	(571,424)
<p>Revenues are recognized in governmental funds only when they are measurable and available to finance current expenditures; however, in the Statement of Activities, revenues are recognized on the accrual basis. This amount is the net effect of revenue recognized on the accrual basis.</p>	
	(92,951)
<p>Compensated absences payable representing long-term liabilities are not recognized in governmental funds until it becomes a matured current liability and is recorded in the Statement of Activities on the accrual basis.</p>	
	11,768
<p>The issuance of long-term debt (e.g. notes payable, capital leases) provides current financial resources to governmental funds, while 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>	
	<u>106,744</u>
Change in net assets of governmental activities	<u><u>\$ 359,583</u></u>

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

COUNTY OF QUAY, NEW MEXICO

General Fund

Statement of Revenue, Expenditures and Changes in Budgetary Cash -

Budget and Actual

For the year ended June 30, 2008

	401			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Taxes - local effort:				
Property - current	\$ 894,551	\$ 894,551	\$ 840,996	\$ (53,555)
Property - delinquent	100,000	100,000	85,957	(14,043)
Oil and gas	21,983	21,983	43,598	21,615
Governmental - county equalization	168,127	168,127	108,323	(59,804)
Governmental - gross receipts	343,372	343,372	403,962	60,590
Wind farm - payment in lieu of taxes	346,600	346,600	347,320	720
Total taxes - local effort	1,874,633	1,874,633	1,830,156	(44,477)
Taxes - state shared:				
Gasoline tax	1,941	1,941	1,750	(191)
Franchise tax	500	500	499	(1)
Cigarette tax two percent	100	100	0	(100)
Total taxes - state shared	2,541	2,541	2,249	(292)
Licenses and permits:				
Motor vehicle	132,000	132,000	118,977	(13,023)
Business licenses	6,500	6,500	5,570	(930)
Subdivision permits	200	200	0	(200)
Total licenses and permits	138,700	138,700	124,547	(14,153)
Charges for services:				
Administrative fees	4,000	4,000	10,009	6,009
Non-taxable photocopies	400	400	856	456
Clerk fees	20,000	20,000	19,778	(222)
Election fees	2,000	2,000	9,491	7,491
Printing and copying	1,100	1,100	1,563	463
Probate fees	300	300	260	(40)
Rent facilities\fairgrounds	3,000	3,000	5,648	2,648
Damage deposit\fairgrounds rent	0	0	700	700
Sheriff fees	3,000	3,000	7,266	4,266
Lease land - Cielo Land Cattle	720	720	720	-
Ute Lake Ranch water lease	1,500	1,500	1,500	-
Other charges for services	11,000	11,000	11,501	501
Sales - other	0	0	15,436	15,436
Total charges for services	47,020	47,020	84,728	37,708

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

COUNTY OF QUAY, NEW MEXICO

General Fund

Statement of Revenue, Expenditures and Changes in Budgetary Cash -
Budget and Actual
For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues (continued):				
Miscellaneous, fines and investment earnings:				
Interest	\$ 100,000	\$ 100,000	\$ 93,689	\$ (6,311)
Civil penalties	13,000	13,000	9,355	(3,645)
Property - interest	40,000	40,000	203	(39,797)
Election printout	400	400	358	(42)
Insurance recoveries	7,390	14,341	575	(13,766)
Reimbursements\refunds	6,000	6,000	2,235	(3,765)
Total miscellaneous	166,790	173,741	106,415	(67,326)
Grants:				
Federal:				
Payment in lieu of taxes (PILT)	0	0	2,547	2,547
State:				
State - Small County Assistance	235,000	235,000	314,000	79,000
Special appropriation - Ag Building	443,963	443,963	0	(443,963)
Special appropriation - County Building	113,224	113,224	102,482	(10,742)
Special appropriation - Fairgrounds	21,827	21,827	8,945	(12,882)
Special appropriation - Trigg Roof	150,000	150,000	44,515	(105,485)
Special appropriation - Arena	3,500	3,500	3,500	-
Total grants	967,514	967,514	475,989	(491,525)
Total revenues	3,197,198	3,204,149	2,624,084	(580,065)
Expenditures:				
County commission:				
Elected officials	39,352	39,352	40,325	(973)
Full-time salaries	151,844	151,844	148,044	3,800
Part-time salaries	1,000	1,000	200	800
Other wages	13,050	13,050	13,498	(448)
FICA	15,625	15,625	13,990	1,635
PERA	15,088	15,088	15,599	(511)
Health\life\disability insurance	23,827	23,827	14,863	8,964
Unemployment insurance	16,000	16,000	21,910	(5,910)
Workers compensation	80	80	74	6
Mileage	4,000	4,000	1,652	2,348
Per diem	6,000	6,000	6,194	(194)
Registration	3,000	3,000	2,480	520
Car expense	200	200	1,173	(973)
Gasoline	500	500	1,016	(516)
Audit	38,316	38,316	40,399	(2,083)
Professional services	12,000	12,000	7,762	4,238

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

COUNTY OF QUAY, NEW MEXICO

General Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
County commission (continued):				
Office supplies	\$ 5,000	\$ 5,000	\$ 5,640	\$ (640)
Safety equipment	200	200	895	(695)
Gasoline	2,600	2,600	2,985	(385)
Oil and lube	100	100	37	63
Tires, tubes and repairs	250	250	834	(584)
Claims\judgment\settlements	3,000	3,000	0	3,000
Drug test	300	300	133	167
Grants to sub-recipients	310,552	310,552	300,578	9,974
Property insurance	65,500	65,500	31,733	33,767
Liability insurance	40,000	40,000	0	40,000
Postage	2,000	2,000	3,732	(1,732)
Printing and publishing	3,500	3,500	3,532	(32)
Equipment lease	2,000	2,000	1,667	333
Land lease	1,200	1,200	3,637	(2,437)
Membership dues	10,000	10,000	9,332	668
Telephone	5,000	5,000	4,534	466
Workers compensation premium	41,138	41,138	31,035	10,103
Miscellaneous	1,200	1,200	1,153	47
Special appropriation - Ag Building	93,963	93,963	0	93,963
Special appropriation - County Building	113,224	113,224	109,610	3,614
Special appropriation - Buildings	150,000	150,000	50,979	99,021
Total County commission	1,190,609	1,190,609	891,225	299,384
County Manager:				
Registration\training	2,000	2,000	0	2,000
Maintenance and repair - equipment	500	500	0	500
Professional services	20,000	25,500	36,276	(10,776)
Telephone	200	200	0	200
Equipment and machinery	10,000	10,000	1,794	8,206
Total County Manager	32,700	38,200	38,070	130
Maintenance:				
Full-time salaries	37,764	37,764	37,568	196
FICA	2,889	2,889	2,370	519
PERA	3,455	3,455	3,259	196
Health\life\disability insurance	7,383	7,383	6,089	1,294
Workers compensation	20	20	16	4
Maintenance and repair - Buildings	11,000	26,087	23,818	2,269
Maintenance - Public Health Office	13,000	13,000	13,260	(260)
Maintenance and repair - Grounds	1,000	1,000	688	312

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

COUNTY OF QUAY, NEW MEXICO

General Fund

Statement of Revenue, Expenditures and Changes in Budgetary Cash -

Budget and Actual

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Maintenance: (continued)				
Maintenance and repair - equipment	\$ 500	\$ 500	\$ 614	\$ (114)
Office Supplies	0	0	51	(51)
Gasoline	1,200	1,200	961	239
Janitor supplies	5,000	5,000	5,015	(15)
Telephone and telegraph	1,500	1,500	708	792
Utilities	30,000	30,000	31,052	(1,052)
Miscellaneous	2,500	2,500	380	2,120
Equipment and machinery	2,000	2,000	0	2,000
Full-time salaries	24,960	24,960	38,460	(13,500)
Part-time salaries	8,000	8,000	2,843	5,157
FICA - Social Security	2,044	2,044	2,184	(140)
FICA - Medicare	478	478	511	(33)
P.E.R.A.	2,284	2,284	3,086	(802)
Health/life/disability insurance	104	104	2,508	(2,404)
Workers Comp (Assessment)	20	20	16	4
Gasoline	3,000	3,000	2,471	529
Maintenance and repair - Buildings	3,500	3,500	1,330	2,170
Maintenance and repair - Grounds	2,000	2,000	1,971	29
Maintenance and repair - Equipment	4,000	4,000	5,079	(1,079)
Professional services	600	600	371	229
Reimbursement/contractual services	600	600	1,150	(550)
Office supplies	580	580	54	526
Uniform allowance	100	100	90	10
Janitor supplies	3,000	3,000	1,956	1,044
Telephone	1,000	1,000	791	209
Utilities	18,000	18,000	23,576	(5,576)
Capital outlay - arena	3,500	3,500	0	3,500
Miscellaneous	0	0	1,505	(1,505)
Special appropriation - grounds	21,827	21,827	7,013	14,814
Rodeo initiative bucking chute	0	0	99	(99)
Equipment and machinery	3,000	3,000	247	2,753
Capital outlay	350,000	350,000	230,978	119,022
Total maintenance	571,808	586,895	454,138	132,757
Clerk:				
Elected official	35,200	35,200	34,344	856
Full-time salaries	49,039	49,039	48,261	778
Part-time salaries	8,000	8,000	13,342	(5,342)
FICA - Social Security	5,715	5,715	5,346	369
FICA - Medicare	1,337	1,337	1,250	87
P.E.R.A.	8,434	8,434	5,382	3,052
Health/life/disability insurance	7,706	7,706	10,021	(2,315)
Workers Comp (Assessment)	40	40	37	3

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

COUNTY OF QUAY, NEW MEXICO

General Fund

Statement of Revenue, Expenditures and Changes in Budgetary Cash -

Budget and Actual

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Clerk: (continued)				
Mileage	\$ 1,000	\$ 1,000	\$ 422	\$ 578
Per diem	1,500	1,500	3,121	(1,621)
Registration	1,000	1,000	810	190
Maintenance and repair - equipment	2,000	2,000	943	1,057
Office supplies	2,000	2,000	1,768	232
Record books	2,000	2,000	2,134	(134)
Other supplies - copier	1,000	1,000	0	1,000
Postage	1,700	1,700	1,676	24
Printing and publishing	400	400	0	400
Equipment lease	1,000	1,000	2,878	(1,878)
Telephone	3,000	3,000	2,947	53
Miscellaneous	1,000	1,000	787	213
Equipment and machinery	8,000	8,000	1,083	6,917
Total clerk	141,071	141,071	136,552	4,519
Elections:				
Mileage	2,000	2,000	1,925	75
Per diem	1,500	1,500	1,379	121
Registration	1,000	1,000	575	425
Maintenance and repair - Buildings	1,500	1,500	133	1,367
Professional services	3,000	3,000	0	3,000
Precinct board	16,500	16,500	8,084	8,416
Voting machine technician	2,000	2,000	1,522	478
Computer training / ESRS	1,000	1,000	0	1,000
Maintenance	8,000	8,000	3,819	4,181
Office supplies	1,000	1,000	718	282
Postage	3,625	3,625	1,908	1,717
Printing and publishing	10,000	10,000	5,510	4,490
Printing and publishing-Spanish	10,000	10,000	5,293	4,707
Telephone	250	250	20	230
Equipment and machinery	3,000	3,000	0	3,000
Lease purchase - voting machine	8,820	3,320	0	3,320
Total elections	73,195	67,695	30,886	36,809
Assessor:				
Elected official salaries	41,683	41,683	41,808	(125)
Full-time salaries	53,239	53,239	55,952	(2,713)
FICA - Social Security	5,885	5,885	5,409	476
FICA - Medicare	1,376	1,376	1,265	111
P.E.R.A.	8,685	8,685	8,692	(7)
Health/life/disability insurance	10,213	10,213	10,214	(1)
Workers Comp (Assessment)	30	30	28	2

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

COUNTY OF QUAY, NEW MEXICO

General Fund

Statement of Revenue, Expenditures and Changes in Budgetary Cash -

Budget and Actual

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Assessor (continued):				
Per diem	\$ 8,000	\$ 8,000	\$ 2,638	\$ 5,362
Registration	4,000	4,000	1,355	2,645
Maintenance and repair - equipment	1,000	1,000	191	809
Office supplies	2,000	2,000	1,982	18
Mapping supplies	500	500	0	500
Other supplies record books	1,000	1,000	159	841
Postage	1,000	1,000	6,521	(5,521)
Printing and publishing	500	500	537	(37)
Membership dues	120	120	60	60
Telephone	3,000	3,000	2,301	699
Total assessor	142,231	142,231	139,112	3,119
Treasurer:				
Elected official salaries	35,199	35,199	36,194	(995)
Full-time salaries	32,629	32,629	33,813	(1,184)
Part-time salaries	6,000	6,000	3,295	2,705
FICA - Social Security	4,577	4,577	4,234	343
FICA - Medicare	1,070	1,070	990	80
P.E.R.A.	6,755	6,755	6,806	(51)
Health/life/disability Insurance	3,123	3,123	3,123	-
Workers Comp (Assessment)	30	30	25	5
Mileage	605	605	465	140
Per diem	1,600	1,600	1,273	327
Registration	1,000	1,000	630	370
Maintenance and repair - buildings	1,000	1,000	230	770
Office supplies	3,200	3,200	882	2,318
Postage	4,000	4,000	4,000	-
Printing and publishing	2,700	2,700	1,442	1,258
Equipment lease	3,300	3,300	2,849	451
Telephone	1,295	1,295	1,135	160
Total treasurer	108,083	108,083	101,386	6,697
Sheriff:				
Elected officials salaries	43,576	43,576	45,178	(1,602)
Full-time salaries	195,476	195,476	203,087	(7,611)
Holiday pay	4,300	4,300	3,558	742
FICA - Social Security	1,489	1,489	1,858	(369)
FICA - Medicare	3,529	3,529	3,383	146
P.E.R.A.	42,028	42,028	47,525	(5,497)
Health/life/disability insurance	19,081	19,081	16,091	2,990
Unemployment insurance	1,000	1,000	0	1,000
Workers Comp (assessment)	110	110	71	39

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

COUNTY OF QUAY, NEW MEXICO

General Fund

Statement of Revenue, Expenditures and Changes in Budgetary Cash -
Budget and Actual
For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Sheriff (continued):				
Per diem	\$ 1,200	\$ 1,200	\$ 2,665	\$ (1,465)
Maintenance vehicle/furniture/fixtures	8,200	15,590	13,932	1,658
Office supplies	2,000	2,000	4,156	(2,156)
Uniform allowance	2,800	2,800	2,287	513
Gasoline	35,000	35,000	29,922	5,078
Oil and lube	1,500	1,500	1,098	402
Tires, tubes, repairs	3,000	3,000	2,718	282
Transportation and extradition of prisoners	15,000	15,000	7,353	7,647
Law enforcement	103,848	103,848	103,846	2
Postage	600	600	530	70
Telephone	8,000	8,000	5,656	2,344
Sheriff's expense	2,500	2,500	1,608	892
Total law enforcement	<u>494,237</u>	<u>501,627</u>	<u>496,522</u>	<u>5,105</u>
Probate judge:				
Elected officials salaries	9,704	9,704	10,069	(365)
FICA - Social Security	602	602	609	(7)
FICA - Medicare	141	141	142	(1)
P.E.R.A.	0	0	888	(888)
Workers Comp (Assessment)	10	10	9	1
Mileage	400	400	106	294
Per diem	800	800	302	498
Registration	350	350	115	235
Employee training	200	200	0	200
Printing and publishing	100	100	0	100
Total probate judge	<u>12,307</u>	<u>12,307</u>	<u>12,240</u>	<u>67</u>
Total expenditures	<u>2,766,241</u>	<u>2,788,718</u>	<u>2,300,131</u>	<u>488,587</u>
Excess (deficiency) revenues over expenditures	<u>430,957</u>	<u>415,431</u>	<u>323,953</u>	<u>(91,478)</u>
Other financing sources (uses):				
Operating transfers in	13,050	42,312	42,312	-
Operating transfers (out)	<u>(838,228)</u>	<u>(863,228)</u>	<u>(755,052)</u>	<u>108,176</u>
Total other financing sources (uses)	<u>(825,178)</u>	<u>(820,916)</u>	<u>(712,740)</u>	<u>108,176</u>
Excess (deficiency) revenues and other financing sources over expenditures and other financing (uses)	(394,221)	(405,485)	(388,787)	16,698
Budgeted cash balance, beginning of year	<u>1,250,059</u>	<u>1,250,059</u>	<u>1,250,059</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 855,838</u>	<u>\$ 844,574</u>	<u>\$ 861,272</u>	<u>\$ 16,698</u>

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

COUNTY OF QUAY, NEW MEXICO

Road Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Miscellaneous:				
Damage deposit - Grip 2 bid	\$ -	\$ -	\$ 100	\$ 100
Insurance recoveries	1,000	1,000	0	(1,000)
Reimbursements/refunds	1,000	1,000	5	(995)
Investment income	20,793	20,793	6,962	(13,831)
Sale of fixed assets	20,000	20,000	0	(20,000)
State shared taxes:				
Gasoline tax (one cent)	215,000	215,000	183,958	(31,042)
Motor vehicle	270,000	270,000	305,017	35,017
Grants:				
State:				
Arterial Project	250,000	250,000	211,327	(38,673)
Co-op	100,000	100,000	105,117	5,117
School bus route	160,000	160,000	120,636	(39,364)
Grip 2	0	1,000,000	30,527	(969,473)
Special appropriation - Crusher	125,000	125,000	0	(125,000)
Manpower	300	300	0	(300)
Special appropriation - Roads	25,000	25,000	25,000	-
Other	3,000	3,000	0	(3,000)
Charges for services:				
Other charges for services	2,000	2,000	100	(1,900)
Total revenues	1,193,093	2,193,093	988,749	(1,204,344)
Expenditures:				
Current:				
Full-time salaries	349,455	349,455	329,235	20,220
Temporary salaries	960	960	0	960
Holiday pay	500	500	0	500
FICA - Social Security	21,666	21,666	17,637	4,029
FICA - Medicare	5,067	5,067	4,125	942
P.E.R.A.	31,975	31,975	29,495	2,480
Health/life/disability insurance	56,619	56,619	56,796	(177)
Workers Comp (Assessment)	150	150	110	40
Mileage	500	500	0	500
Per diem	1,500	1,500	1,553	(53)
Registration	800	800	730	70
Maintenance and repair - buildings	20,000	20,000	745	19,255
Maintenance and repair - grounds	5,000	5,000	356	4,644
Maintenance and repair - equipment	100,000	100,000	54,928	45,072
Contractual services	100,000	100,000	0	100,000
Arterial project	0	302,640	302,640	-
Supplies	8,000	8,000	6,136	1,864
Uniform allowance	5,500	5,500	4,966	534
Gasoline	140,000	140,000	135,180	4,820

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

COUNTY OF QUAY, NEW MEXICO

Road Fund

Statement of Revenue, Expenditures and Changes in Budgetary Cash -
Budget and Actual
For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Current (continued):				
Oil and lube	\$ 5,000	\$ 5,000	\$ 6,482	\$ (1,482)
Tires, tubes, repairs	30,000	30,000	12,414	17,586
Tools and supplies	3,000	3,000	1,569	1,431
Property insurance	19,200	19,200	19,200	-
Printing and publishing	1,000	1,000	1,237	(237)
Equipment lease	1,400	1,400	1,321	79
Telephone and telegraph	4,500	4,500	3,542	958
Utilities	7,000	7,000	4,870	2,130
Workers compensation claims	20,000	20,000	20,000	-
Equipment and machinery	80,000	80,000	3,240	76,760
Lease purchase	79,680	79,680	79,680	-
Roadways (bridges, culverts, etc.)	121,174	74,534	45,713	28,821
Grip 2	0	1,000,000	56,502	943,498
Capital outlay - copier lease	0	0	10,564	(10,564)
Special appropriation - roads	25,000	25,000	0	25,000
Special appropriation - crusher	125,000	125,000	0	125,000
Principal payment	36,000	36,000	35,688	312
Total expenditures	<u>1,405,646</u>	<u>2,661,646</u>	<u>1,246,654</u>	<u>1,414,992</u>
Excess (deficiency) revenues over expenditures	<u>(212,553)</u>	<u>(468,553)</u>	<u>(257,905)</u>	<u>(210,648)</u>
Other financing sources (uses):				
Operating transfers in	212,553	468,553	368,553	(100,000)
Operating transfers (out)	0	0	(20,000)	20,000
Proceeds from loans and capital leases	0	0	10,564	(10,564)
Total other financing sources (uses)	<u>212,553</u>	<u>468,553</u>	<u>359,117</u>	<u>(109,436)</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	101,212	(101,212)
Budgeted cash balance, beginning of year	<u>180,497</u>	<u>180,497</u>	<u>180,497</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 180,497</u>	<u>\$ 180,497</u>	<u>\$ 281,709</u>	<u>\$ 101,212</u>

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

COUNTY OF QUAY, NEW MEXICO

Detention Center Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	421			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenue:				
Taxes - local effort:				
Gross receipts	\$ 210,000	\$ 210,000	\$ 201,602	\$ (8,398)
Charges for services:				
Care of prisoners	6,000	6,000	0	(6,000)
Commissary proceeds	0	36,000	32,866	(3,134)
Miscellaneous:				
Local correction fee	172,000	172,000	168,895	(3,105)
Recoveries	0	35,851	0	(35,851)
Reimbursements\refunds	100	100	22	(78)
State:				
Care of prisoners	110,000	110,000	329,421	219,421
Care of prisoners/SSA	1,600	1,600	2,000	400
DC - electronic monitoring	0	0	6,380	6,380
Illegal alien assistance	59,000	59,000	1,232	(57,768)
Total revenues	558,700	630,551	742,418	111,867
Expenditures:				
Current:				
Full-time salaries	467,418	467,418	503,265	35,847
Holiday pay	44,217	44,217	14,213	(30,004)
FICA - Social Security	28,980	28,980	28,692	(288)
FICA - Medicare	6,778	6,778	6,710	(68)
P.E.R.A.	42,769	42,769	45,985	3,216
Health/life/disability insurance	61,931	61,931	58,082	(3,849)
Workers comp (assessment)	210	210	198	(12)
Mileage	200	200	0	(200)
Per diem	1,000	1,000	1,285	285
Registration	500	500	430	(70)
Car expense	250	250	364	114
Maintenance and repair - buildings	15,000	34,995	38,249	3,254
Maintenance and repair - equipment	15,000	15,000	7,887	(7,113)
Office supplies	2,000	2,000	1,856	(144)
Safety equipment	2,000	2,000	1,277	(723)
Uniform/linen	6,000	6,000	4,583	(1,417)
Gasoline	4,000	4,000	2,693	(1,307)
Administration for scapp	0	0	23,224	23,224
Jail supplies	18,000	18,000	14,996	(3,004)
Miscellaneous supplies	1,000	1,000	309	(691)
Communications	4,000	4,000	4,880	880
Care of prisoners	35,000	35,000	27,367	(7,633)
Commissary expense	0	17,000	25,854	8,854
Feeding of prisoners	100,000	100,000	85,052	(14,948)

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

COUNTY OF QUAY, NEW MEXICO

Detention Center Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	421			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (continued):				
Current (continued):				
Ankle monitor expense	\$ -	\$ 19,000	\$ 3,548	\$ (15,452)
Employee training	2,000	2,000	350	(1,650)
Drug test	750	750	700	(50)
Property insurance	6,000	6,000	6,000	-
Postage	1,000	1,000	1,249	249
Printing and publishing	1,000	1,000	997	(3)
Telephone	6,000	6,000	7,800	1,800
Utilities	40,000	40,000	36,457	(3,543)
Capital outlay - buildings	8,000	8,000	0	(8,000)
Lease purchase	2,000	2,000	3,759	1,759
Total expenditures	923,424	978,998	958,311	20,687
Excess (deficiency) revenues over expenditures	(364,724)	(348,447)	(215,893)	132,554
Other financing sources (uses):				
Operating transfers in	364,303	364,303	300,000	(64,303)
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	364,303	364,303	300,000	(64,303)
Excess (deficiency) revenues and other financing sources (uses) over expenditures	(421)	15,856	84,107	68,251
Budgeted cash balance, beginning of year	23,710	23,710	23,710	-
Budgeted cash balance, end of year	<u>\$ 23,289</u>	<u>\$ 39,566</u>	<u>\$ 107,817</u>	<u>\$ 68,251</u>

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

COUNTY OF QUAY, NEW MEXICO

Agency Funds
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2008

<u>ASSETS</u>	
Cash on hand	\$ 0
Cash in banks	224,900
Shared taxes receivable	<u>3,878</u>
Total assets	<u>\$ 228,778</u>
 <u>LIABILITIES</u>	
Deposits Held for Others	\$ 224,900
Due to Other Governments	<u>3,878</u>
Total liabilities	<u>\$ 228,778</u>

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

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The County of Quay was created by Section 4-30-1, New Mexico Statutes Annotated, and 1978 Compilation. The powers of the County as a body political and corporate are exercised by a three-member Board of Commissioners who are elected. Other elected officials include, a County Assessor, County Clerk, County Sheriff and County Treasurer. The County assesses, collects and distributes property taxes, records property and legal documents, provides ambulance service, law enforcement, fire and social services, and maintains County roads.

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

In June, 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

The County implemented the provisions of GASB No. 34 and its later amendments effective July 1, 2003.

A. REPORTING ENTITY

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

B. BASIC FINANCIAL STATEMENTS – GASB STATEMENT NO. 34

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. The new reporting model focus is on either the County as a whole or major individual funds (within the fund financial statements). Fiduciary funds are not included in the government-wide financial statements. Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental. In the government-wide Statement of Net Assets, the governmental activities are presented on a consolidated basis and are reflected on a full accrual, economic resources focus, which incorporates long-term assets and receivables as well as long-term debt and obligations. Pronouncements of the Financial Accounting Standards Board issued after November 30, 1989 are applicable to any business-type activity of the County. The County did not have any business-type activities during the year ended June 30, 2008.

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

B. BASIC FINANCIAL STATEMENTS – GASB STATEMENT NO. 34, continued

The government-wide Statement of Activities reflects both the gross and net cost per functional category (general government, public safety, etc.). The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to citizens for general county services, such as recording property transactions, etc. and charges to other governments for holding and care of their prisoners, and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of programs such as substance abuse, fire protection and road maintenance and legislative appropriations for County buildings and major road projects. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function) is normally covered by general revenues (taxes, intergovernmental revenues, interest income, etc.). The County does not currently employ indirect cost allocation systems.

This government-wide focus is more on the sustainability of the County as an entity and in aggregate financial position resulting from the activities of the current fiscal period. Internal activity between the various funds is eliminated in the government-wide financial statements. Interfund receivables and payables have been eliminated.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis is on the major funds. Nonmajor funds (by category) are summarized into a single column. Amounts reported in the funds as interfund receivables and payables (“Due From” or “Due To”) are eliminated in the government-wide statements.

The governmental fund statements are presented on a current financial resources focus. This presentation is deemed appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the County’s actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements’ governmental activities column, a reconciliation is presented on the page following each statement which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental activities column on the governmental-wide presentation.

The County’s fiduciary funds (agency funds) are presented in the fund financial statements. Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government, these funds are presented separately in the governmental funds and are not incorporated into the government-wide statements.

C. BASIS OF PRESENTATION

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

C. BASIS OF PRESENTATION, continued

The funds of the County are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and description of each existing fund type follow.

Governmental Funds

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

General fund - the primary operating fund of the County accounts for all financial resources, except those required to be accounted for in other funds.

Special revenue funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt service funds – account for the servicing of long-term debt not being financed by proprietary funds.

Capital projects funds – account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

Under the requirements of GASB No. 34, the County is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

General Fund – The primary operating fund of the County accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is always included as a major fund in accordance with GASB No. 34.

Road Fund – To account for funds used to maintain roads for which the County has responsibility. Financing is provided by motor vehicles fees, gasoline taxes and co-op agreements with the State of New Mexico Highway and Transportation Department. Expenditures are restricted to the construction and maintenance of County roads. Authority is Section 67-4-1, NMSA (1978).

Detention Center Fund – To account for resources used to operate the County Detention Center. Funding is provided by charges to local municipalities, the New Mexico Department of Corrections, and transfers from the County General Fund. This fund also accounts for the Community Monitoring Program. Authorized by Section 33-3-25, NMSA (1978).

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the County. The County only had agency funds during the year ended June 30, 2008. *Agency funds* are used to account for assets that the government holds for others in an agency capacity.

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

D. BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The County considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for revenue bond principal and interest, which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: gross receipts taxes, property taxes, franchise taxes, intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received. Derived tax revenues, such as gross receipt taxes collected and held by the state at year end on behalf of the County, are recognized as revenue when the underlying transaction takes place.

In applying the susceptible to accrual concept to intergovernmental revenues and pursuant to GASB Statement No. 33, which was adopted as of July 1, 2003 by the County, the provider should recognize liabilities and expenses and the recipient should recognize receivable and revenues when the applicable eligibility requirements including time requirements are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and deferred revenue by the recipient.

E. PROPERTY TAXES

The County Treasurer receives deposits of monies from and collects taxes for the various County funds and other entities located within the County. These monies are deposited by the Treasurer in banks. In the accompanying financial statements, monies held for other than County entities are presented in the Agency Funds.

Taxes are collected directly from taxpayers by the County with the Treasurer acting as an employee of the County and as an agent for the entities from whom the collections are ultimately distributed.

The County property tax bills must be mailed by November 1st, the first half of the assessed tax is due November 10th and becomes delinquent December 10th, and the second half of the assessed tax becomes due April 10th and becomes delinquent May 10th. The applicable property is subject to lien and penalties and interest is assessed when property taxes become delinquent. When property taxes are delinquent three years, the property is transferred to the State Property Tax Department for public sale.

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

E. PROPERTY TAXES, continued

Chapter 7, Articles 35 through 38, New Mexico Statutes Annotated, 1978, the Property Tax Code, provides for valuation, administration and enforcement of property taxes. The Department of Finance and Administration sets tax rates for the governmental units sharing in the tax. The Constitution of the State of New Mexico provides the following maximum tax rates and restrictions concerning the use of tax proceeds.

Taxes levied upon tangible property shall be in proportion to the value thereof, and taxes shall be equal and uniform upon subjects of taxation of the same class. Different methods may be provided by law to determine value of different kinds of property, but the percentage of value against which tax rates are assessed shall not exceed thirty-three and one-third percent. The legislature shall provide by law for the valuation of residential property for property taxation purposes in a manner that limits annual increases in valuation of residential property. The limitation may be applied to classes of residential property tax payers based on owner-occupancy, age or income. The limitations may be authorized statewide or at the option of a local jurisdiction and may include conditions under which the limitation is applied. Any valuation limitations authorized as a local jurisdiction option shall provide for applying statewide or multi-jurisdictional property tax rates to the value of the property as if the valuation increase limitation did not apply.

Taxes levied upon real or personal property for state revenue shall not exceed four mills annually on each dollar of the assessed valuation thereof, except for the support of the educational, penal and charitable institutions of the state, payment of the state debt and interest thereon, and the total annual tax levy upon such property for all state purposes exclusive of necessary levies for the state debt and interest thereon, and the total annual tax levy upon such property for all state purposes exclusive of necessary levies for the state debt shall not exceed ten mills; provided, however, that taxes levied upon real or personal tangible property for all purposes, except special levies on specific classes of property and except necessary levies for public debt, shall not exceed twenty mills annually of the assessed valuation thereof, but laws may be passed authorizing additional taxes to be levied outside of such limitations when approved by at least a majority of the qualified electors of the taxing district who paid a property tax therein during the preceding year voting on such proposition.

The County's Operational tax rate for the current year was 5.274 mills for residential property and 10.35 mills for nonresidential property. The County Hospital tax rate was 1.5 mills for both types of property. (These rates do not include those for state debt service, municipal operations, or school districts.)

F. BUDGETARY INFORMATION

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

- 1) Prior to June 1, the County submits a proposed budget to the Local Government Division of the Department of Finance and Administration;
- 2) The Local Government Division in relation to the County shall:
 - a. Examine each proposed budget, and on or before July 1 of each year, approve and certify for the County an operating budget for use pending approval of a final budget;
 - b. Hold public hearings on proposed budgets;

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

F. BUDGETARY INFORMATION, continued

- c. Make such corrections, revisions, and amendments to proposed budgets as may be necessary to meet the requirements of law;
 - d. Certify a final budget for the County prior to the first Monday in September of each year. Such budgets, when approved, shall be binding upon all officials of the state;
 - e. Upon the approval of the director of the Department of Finance and Administration, authorize the transfer of funds from one budget item to another when such transfer is requested and an emergency condition exists meriting such transfer and such transfer is not prohibited by law. In case of emergency, necessitation the expenditure for item or items not provided for in the budget, upon approval of the director of the Department of Finance and Administration, the budget may be revised to authorize such expenditures;
 - f. With written approval of the director of the Department of Finance and Administration, increase the total budget of the County in the event the County undertakes an activity, service project or construction program which was not contemplated at the time the final budget was adopted and approved and which activity, service, project or construction program will produce sufficient revenue to cover such increase in the budget or the County has surplus funds on hand not necessary to meet the expenditures provided for in the budget with which to cover such increase in the budget;
 - g. Supervise the disbursement of funds to the end that expenditures will not be made in excess of budgeted items or for items not budgeted and that there will not be illegal expenditures;
 - h. Prescribe the form for all budgets, books, records and accounts for the County; and
 - i. With the approval of the director of the Department of finance and Administration, make rules and regulations relating to budgets, records, reports, handling and disbursement of public funds, or in any matter relating to the financial affairs of the County.
- 3) The County Manager is authorized to transfer budgeted amounts between departments within any fund;
- 4) Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds. Budgets for these funds were adopted on a basis consistent with generally accepted accounting principles (GAAP) for the current year. In prior years, the budget was prepared on a cash basis. Cash balances at the beginning of the fiscal year are a budget resource and are included in the budget. Management reflects estimated cash balance at the beginning of the year as a budget resource in its budgeting process for ease of budget preparation, rather than GAAP fund balances. Cash balances for most funds approximate fund balances on the GAAP basis. Budgeted cash balances will differ from actual cash balances because the budget process requires estimation of budget resources prior to the beginning of the fiscal year when the budget is prepared. Since by definition the budget reflects estimates, budget adjustments generally are not prepared to reflect actual cash balances when known.
- 5) Budgeted amounts are as originally adopted, or as amended by the County Commissioners and approved by the Department of Finance and Administration;

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

F. BUDGETARY INFORMATION, continued

- 6) The level of classification detail in which expenditures may not legally exceed appropriation from budget is at the fund level. Budgets for a Special Revenue Fund were over-expended for the year ended June 30, 2008.

G. ASSETS, LIABILITIES AND FUND EQUITY

1. *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 typically of 6 months or less from the date of acquisition. State statutes (Public Monies Act 6-10-1 through 6-10-63, NMSA 1978) authorized the County to invest in (1) bond or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (\$1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or (2) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government. The County may also invest in repurchase agreements and in the State Treasurer's Investment Pool. Section 6-10-16 and 6-10-17 NMSA 1978, requires that the deposit of public money be secured by securities of the United States, its agencies or instrumentalities or by securities of the State of New Mexico, its agencies, instrumentalities, counties, municipalities or other subdivisions or by securities that are guaranteed by the United States or the State of New Mexico equal to one-half the amount of public money on deposit. In fiscal year 2008, the County only invested in short-term certificates of deposit.

2. *Accounts Receivable*

Accounts receivable are recorded in the various governmental funds. They consist of amounts receivable from local governments relating to various grant agreements and property taxes receivable. In the government-wide statements, property taxes are recognized in the year for which the taxes are levied. Property taxes receivable is shown net of an allowance for uncollectible property tax. The allowance is equal to 4% of outstanding property taxes at June 30, 2008. In the governmental funds statements and in the government-wide financial statements, property taxes receivable are reflected as deferred, because records are not available to determine the portion of property taxes collected which belong to the County and the portion that belongs to other governments. Nonexchange transactions, including grants and contributions, which are not measurable (reasonably estimated) are not recognized.

3. *Capital Assets*

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The County does not capitalize

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

G. ASSETS, LIABILITIES AND FUND EQUITY, continued

3. *Capital Assets, continued*

interest in regards to its capital assets. The County capitalizes purchased software, but has no internally-developed software.

Estimate useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & building improvements	40 years
Furniture and equipment	5-15 years

GASB Statement No. 34 requires the recording of infrastructure assets which include roads and bridges. The County has elected the modified approach as discussed in Note 5 to the financial statements and does not depreciate infrastructure. In accordance with the provisions of GASB Statement No. 34, the County is considered to be a Phase 3 Government (total annual revenues of less than \$10 million) and has elected to report infrastructure assets in a prospective manner only. That is, infrastructure in place before July 1, 2003, is not reported.

4. *Deferred Revenues*

The County reports deferred revenues on its Statement of Net Assets and fund balance sheet. Deferred revenues arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

5. *Compensated Absences*

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. 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. The General Fund is typically the fund used to liquidate compensated absences not liquidated by another fund.

6. *Long-term Liabilities*

For government-wide reporting, the costs associated with bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an 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.

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

G. ASSETS, LIABILITIES AND FUND EQUITY, continued

7. *Fund Balances of Fund Financial Statements*

Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The County designates the portion of the year end fund balance, not otherwise designated or reserved, for subsequent years' expenditures. These designations are established to earmark resources for specific future use and to indicate that the fund equity does not represent available spendable resources.

8. *Fund Equity - Government-Wide Financial Statements*

Equity is classified as net assets and reflected in three components:

- a. Invested in capital assets, net of related debt - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any notes payable and capital leases payable that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the County government to assess, levy, charge or otherwise mandate payment of resources and includes "legally enforceable" provision that resources can only be used for the legislated specific purpose. The term "legally enforceable" is defined as one that an external party to Quay County Government - such as citizens, public interest groups or the courts - can compel the government to honor. The County determines legal enforceability based on professional judgment of management and the advice of counsel. At June 30, 2008, Quay County Government did not have any of its net assets restricted by enabling legislation.

- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

9. *Interfund Transactions*

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

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

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

G. ASSETS, LIABILITIES AND FUND EQUITY, continued

10. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2. **CASH AND INVESTMENTS**

A. Cash

County government pools cash and investments in only two bank accounts and a limited number of certificates of deposit, which are typically in excess of \$100,000. The cash and investment balances of each individual fund in the pooled accounts are accounted for through its accounting system. The County only deposits funds in local banks and only invests in certificates of deposit.

At June 30, 2008, the County had deposits in demand accounts of \$1,328,920, certificates of deposit in the amount of \$2,529,000, and currency of \$525 for a total of \$3,858,445, with a total carrying amount of \$3,689,062.

Although the County does not have a formal investment policy with respect to credit risk, deposits are maintained in FDIC insured banks and investments consist only of short-term certificates of deposit, typically six months or less from FDIC insured banks.

The County does not have a formal policy regarding concentration of credit risk; however, State Statutes 6-10-36, NMSA 1978, provide for the equitable distribution of deposits of public money in financial institutions within the County boundaries.

The County has no exposure to interest rate risk as investments are short-term, typically 6 months or less.

Custodial credit risk is the risk that in the event of a bank failure, the County deposits may not be returned to it. The policy of the County is to comply with Section 6-10-17, NMSA 1978, which provides that deposits of public monies in financial institutions must be secured by pledged collateral in an aggregate value of equal to one-half of deposits after deducting the amount of Federal Deposit Insurance Corporation insurance coverage for each financial institution.

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

2. CASH AND INVESTMENTS, continued

At June 30, 2008, parts of the County's bank balances were exposed to custodial credit risk as follows:

	Total	First National Bank of New Mexico	Wells Fargo Bank, NM	Everyone's Federal Credit Union	Citizens Bank	Tucumcari Federal Savings and Loan Association
Total of Deposits at June 30, 2008	\$ 3,857,921	\$ 2,196,585	\$ 356,817	\$ 100,000	\$ 1,104,519	\$ 100,000
Less: FDIC coverage at June 30, 2008	700,000	200,000	200,000	100,000	100,000	100,000
Uninsured public funds	3,157,921	1,996,585	156,817	-	1,004,519	-
Pledged collateral held by County's agent in the County's name	-					
Pledged collateral held by the pledging bank's trust department in the agency's name	510,615				510,615	
Pledged collateral held by the pledging financial institution	-					
Pledged collateral held by the pledging bank's trust department or agent, but not in the agency's name	1,442,592	1,307,253	135,339			
Uninsured and uncollateralized	<u>\$ 1,204,714</u>	<u>\$ 689,332</u>	<u>\$ 21,478</u>	<u>\$ -</u>	<u>\$ 493,904</u>	<u>\$ -</u>

(A schedule listing all deposit and investment accounts is located at the back of this report):

Total cash on deposit, all banks, including certificates of deposits	\$ 3,857,921
Petty cash	525
Add: Outstanding deposits	3,359
Less: Outstanding checks	<u>(172,743)</u>
 Total cash and investments	 <u>\$ 3,689,062</u>
 Per financial statements:	
Cash and investments	<u>\$ 3,689,062</u>

B. Pledged Collateral

New Mexico statutes provide that deposits of public monies in financial institutions must be secured by pledged collateral in an aggregate value equal to one-half of the amount of the public monies deposited after deducting the amount of Federal Deposit Insurance Corporation insurance coverage for each financial institution. A schedule detailing the collateral pledged against the deposits of the County is located in the back of this report.

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

3. RECEIVABLES

Receivables at June 30, 2008, are comprised of the following:

	General	Road	Detention Center	Other Governmental Funds	Total
Gross Receipts Tax	\$ 72,131	\$ -	\$ 35,946	\$ 246,639	\$ 354,716
Oil and Gas	6,682			968	7,650
Regular Gas Tax	69				69
Motor Vehicle Registration	9,905	25,606			35,511
Road Tax		15,133			15,133
Total Local and State Shared Taxes	88,787	40,739	35,946	247,607	413,079
Care of Prisoners Receivable			4,725		4,725
Grants Receivable				21,229	21,229
	<u>\$ 88,787</u>	<u>\$ 40,739</u>	<u>\$ 40,671</u>	<u>\$ 268,836</u>	<u>\$ 439,033</u>

Management considers all receivables other than delinquent property taxes fully collectible. Collectability of delinquent property taxes has not been determined. Delinquent property taxes of \$757,813 are presented net of a 4% allowance of \$30,313 for a carrying amount of \$727,500. Delinquent property taxes receivable includes amounts the County collects for other governments; however, the amount of uncollected delinquent property taxes for other governments has not been determined.

4. INTERFUND BALANCES

A. Due From/Due To Other Funds

The County has recorded an interfund receivable and payable amount owed by the County Indigent Special Revenue Fund to the General Fund. This is a result of an error in the distribution of gross receipts taxes stemming from the enactment of an additional 1/16-cent gross receipts tax for the County General Fund. Management plans to pay the interfund receivable/payable in a subsequent year.

	Due from other funds	Due to other funds
Major:		
General	\$ 65,246	\$ -
Other governmental funds:		
County Indigent Special Revenue		65,246
Total	<u>\$ 65,246</u>	<u>\$ 65,246</u>

These balances are eliminated in the government-wide financial statements.

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

4. **INTERFUND BALANCES, continued**

B. Interfund transfers for the year ended June 30, 2008, consisted of the following:

From	To	Amount
<u>Major Funds</u>		
General	Road	\$ 112,553
General	Detention Center	300,000
General	Nonmajor Governmental Funds	342,499
Road	Nonmajor Governmental Funds	20,000
Nonmajor Funds	General	42,312
Nonmajor Funds	Nonmajor Funds	25,000
Nonmajor Funds	Road	256,000
Total		\$ 1,098,364

These transfers from the General Fund are to subsidize Road, Detention Center, Special Projects Funds and to establish a Capital Projects Fund for future use. Transfers from Nonmajor Funds to the Road Fund are for equipment and to the General Fund for special projects budgeted in the General Fund.

County government did not have a material one-time transfer for fiscal year 2008.

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

5. **CAPITAL ASSETS**

The following is a summary of the adjustments to Capital Assets as a result of the physical inventory and the reclassification of capital and operating leases:

	June 30, 2007, as previously reported	Prior Period Adjustments Restatement	Balance as Restated June 30, 2007
Capital Assets not being depreciated:			
Land	\$ 166,229	\$ -	\$ 166,229
 Capital Assets being depreciated:			
Land Improvements	15,353		15,353
Building and Improvements	6,153,998	15,066,461	21,220,459
Equipment	10,339,142	(4,644,301)	5,694,841
Capital lease		(1,263,151)	(1,263,151)
Infrastructure (Roads)	27,444	(27,444)	-
Subtotal	16,702,166	9,131,565	25,833,731
 Less Accumulated Depreciation			
Land Improvements	(2,688)	2,688	-
Building and Improvements	(3,214,799)	(11,634,649)	(14,849,448)
Equipment	(9,094,344)	6,279,571	(2,814,773)
Capital lease		249,677	249,677
Infrastructure (Roads)	(9,604)	9,604	-
	(12,321,435)	(5,093,109)	(17,414,544)
Net Capital Assets	\$ 4,380,731	\$ 4,038,456	\$ 8,419,187

Restatement of Prior Year Balances

During the current fiscal year, management inventoried all equipment and buildings, established values and restated the prior years ending asset balances to reflect the adjusted capital asset inventory. Estimated lives for these assets were determined and depreciation was recorded for the fiscal year.

Infrastructure assets consist of county roads. In the prior year, roads were included with capital assets being depreciated; however, during the current year, management elected to implement the modified approach to reporting infrastructure assets. Roads have, therefore, been reclassified to assets not being depreciated.

The effect of the change is to restate net assets of the Statement of Activities in the net amount of \$4,038,456.

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

5. **CAPITAL ASSETS, continued**

The following is a summary of changes in Capital Assets during the year:

	Balance as			Balance
	Restated			June 30, 2008
	June 30, 2007	Additions	Deletions	June 30, 2008
Capital Assets not being depreciated:				
Land	\$ 166,229	\$ -	\$ -	166,229
Land Improvements	15,353			15,353
Capital Assets being depreciated:				
Building and Improvements	21,220,459	225,000		21,445,459
Equipment	4,431,690	173,760		4,605,450
Subtotal	<u>25,833,731</u>	<u>398,760</u>	<u>-</u>	<u>26,232,491</u>
Less Accumulated Depreciation				
Land Improvements	-			
Building and Improvements	(14,849,448)	(344,111)		(15,193,559)
Equipment	(2,565,096)	(227,313)		(2,792,409)
	<u>(17,414,544)</u>	<u>(571,424)</u>	<u>-</u>	<u>(17,985,968)</u>
Net capital assets	<u>\$ 8,419,187</u>	<u>\$ (172,664)</u>	<u>\$ -</u>	<u>\$ 8,246,523</u>

All depreciation is considered unallocated.

Modified Approach in Accounting for Infrastructure

Governmental accounting standards provide that infrastructure assets are not required to be depreciated as long as the asset management plan is in place that includes:

1. An up-to-date inventory of eligible infrastructure assets;
2. Performance of condition assessments in a consistent manner every three years; and,
3. Estimates of the annual cost to maintain and preserve infrastructure assets at an established condition level.

Expenditures for the infrastructure assets are expensed in the period incurred, except for additions and improvements which increase capacity or efficiency.

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NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

5. **CAPITAL ASSETS, continued**

As fiscal year 2008 is the first year for implementing the modified approach, schedules are not available which reflect the three most recent completed condition assessments or the comparison of estimated annual amounts to maintain and preserve the established condition level with amounts actually expended for each of the past five reporting periods. The basis for condition measurement, the measurement scale to assess the condition level and the condition level at which Quay County intends to preserve eligible infrastructure assets, as well as, significant trends, have not been fully developed for reporting in the current year.

6. **DEBT LONG-TERM**

During the fiscal year ended June 30, 2008, the following changes occurred in Long-Term Debt:

	Balance June 30, 2007	Adjustment to Prior Year	Balance as restated June 30, 2007
Notes payable	\$ 889,967	\$ (52,741)	\$ 837,226
Capital leases payable	446,627	(405,219)	41,408
Compensated absences payable	110,090		110,090
	<u>\$ 1,446,684</u>	<u>\$ (457,960)</u>	<u>\$ 988,724</u>

	Balance as restated June 30, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year
Notes payable	\$ 837,226	\$ -	\$ (103,882)	\$ 733,344	\$ 116,906
Capital leases payable	41,408	10,564	(13,427)	38,545	12,970
Compensated absences payable	110,090	75,886	(87,654)	98,322	
	<u>\$ 988,724</u>	<u>\$ 86,450</u>	<u>\$ (204,963)</u>	<u>\$ 870,211</u>	<u>\$ 129,876</u>

Obligations to the New Mexico Finance Authority are secured by pledging tax revenues or fire protection funds. The County is also obligated under the terms of seven capital lease agreements. Quay County is in substantial compliance with the terms of the various note ordinances and loan agreements. Details of the loans and the amount of the original loans are as follows.

A. NEW MEXICO FINANCE AUTHORITY LOANS

Pursuant to Sections 4 and 7 NMSA, 1978, and resolutions of the Board of Commissioners, loan agreements were negotiated with the New Mexico Finance Authority (NMFA). Tax revenues collected by the New Mexico Taxation and Revenue Department and fire protection fund distributions, which secure the loans, are withheld for loan payments. Such payments are paid directly to the trustee who administers the loan program for the

STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

6. **LONG-TERM DEBT, continued**

A. NEW MEXICO FINANCE AUTHORITY LOANS, continued

Authority. In addition to principal and interest, the County is charged for expenses and fees to defray administration costs.

1. August 1, 2003 Equipment Loan

\$91,112, for fire truck, Fire District No. 2 negotiated through the New Mexico Finance Authority, payable in annual installments. Interest rate variable from 0.88% to 3.49%. Payments include 0.25% administration fee. Matures May 1, 2014. Fire Protection Fund distributions are being intercepted.

2. August 1, 2003 Building Loan

\$34,783, for fire station, Jordan Fire District. Negotiated through the New Mexico Finance Authority, payable in annual installments. Interest rate is -0%. Payments include 0.25% administration fee. Matures May 1, 2009. Fire Protection Fund distributions are being intercepted.

3. February 20, 2004 Equipment Loan

\$136,000, for fire truck, Quay Fire District. Negotiated through the New Mexico Finance Authority, payable in annual installments. Interest rate variable from 0.90% to 3.86%. Payments include 0.25% administration fee. Matures May 1, 2019. Fire Protection Fund distributions are being intercepted.

4. March 5, 2004 Equipment Loan

\$233,334 for road equipment, Road Department (less \$23,333 withheld by the New Mexico Finance Authority as a loan reserve.) Loan proceeds were received in July, 2004, negotiated through the New Mexico Finance Authority, payable in annual installments. Interest rate variable from 0.90% to 2.72%. Payments include 0.25% administration fee. Matures May 1, 2011. Gasoline Tax distributions are being intercepted. (Note: Balance reported is balance due less loan reserve held by NMFA.)

5. November 18, 2005 Equipment Loan

\$187,778 for fire truck, Fire District #1 (less \$18,778 withheld by NMFA as a loan reserve.) Negotiated through the New Mexico Finance Authority, payable in annual installments. Interest rate variable from 2.53% to 3.55%. Payments include 0.25% administration fee. Matures May 1, 2015. Fire Protection Fund distributions are being intercepted.

6. November 18, 2005 Equipment Loan

\$114,702 for fire truck, Forrest Fire District. Negotiated through the New Mexico Finance Authority, payable in annual installments. Interest rate variable from 3.14% to 3.63%. Payments include 0.25% administration fee. Matures May 1, 2016. Fire Protection Fund distributions are being intercepted.

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

6. **LONG-TERM DEBT, continued**

A. NEW MEXICO FINANCE AUTHORITY LOANS, continued

7. January 13, 2006 Building Loan

\$105,000 for fire station, Bard Endee Fire District. Negotiated through the New Mexico Finance Authority, payable in annual installments. Interest rate 0%. Payments include 0.25% administration fee. Matures May 1, 2016. Fire Protection Fund distributions are being intercepted.

8. January 13, 2006 Building Loan

\$70,000 for fire station, Fire District #3. Negotiated through the New Mexico Finance Authority, payable in annual installments. Interest rate 0%. Payments include 0.25% administration fee. Matures May 1, 2016. Fire Protection Fund distributions will be intercepted.

9. September 26, 2006 Equipment Loan

\$100,000 for fire truck, Jordan Fire District. Negotiated through the New Mexico Finance Authority, payable in annual installments beginning November 1, 2007. Payments include a 0.25% administration fee. Interest rate varies from 3.43% to 4.010%. Matures May 1, 2017. Fire Protection Fund distributions will be intercepted.

10. March 7, 2008 Equipment Loan

\$138,889 for pumper fire truck, Jordan Fire District. Negotiated through the New Mexico Finance Authority, payable in annual installments beginning May 1, 2009. Payments include a 0.25% administration fee. Interest rates vary from 1.58% to 2.18%. Matures May 1, 2018. Fire Protection Fund distributions will be intercepted.

11. March 7, 2008 Equipment Loan

\$166,667 for pumper fire truck, Bard-Endee Fire District. Negotiated through the New Mexico Finance Authority, payable in annual installments beginning May 1, 2009. Payments include a 0.25% administration fee. Interest rates vary from 1.86% to 2.53%. Matures May 1, 2018. Fire Protection Fund distributions will be intercepted.

STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

6. **LONG-TERM DEBT, continued**

A. NEW MEXICO FINANCE AUTHORITY LOANS, continued

The annual debt service requirement to maturity including principal, interest and administration fees for all loans are as follows:

Year ended June 30	Principal	Interest and administrative fee	Total
2009	\$ 116,906	\$ 11,119	\$ 128,025
2010	111,323	9,683	121,006
2011	89,544	8,132	97,676
2012	78,833	6,442	85,275
2013	79,846	5,429	85,275
Subtotal	<u>476,452</u>	<u>40,805</u>	<u>517,257</u>
2014-2018	243,980	11,134	255,114
2019	12,912	277	13,189
Subtotal	<u>256,892</u>	<u>11,411</u>	<u>268,303</u>
Total	<u>\$ 733,344</u>	<u>\$ 52,216</u>	<u>\$ 785,560</u>

B. LEASE PURCHASES

Capital Leases

The County is obligated under seven capital lease agreements for office equipment. The leased assets are accounted for as capital assets. The lease payments are charged to the following funds: General Fund, Road Fund, and Detention Center.

Future debt service requirements for capital leases are as follows:

Year Ended June 30	Principal	Interest	Total
2009	\$ 12,970	\$ 1,153	\$ 14,123
2010	12,453	684	13,137
2011	6,252	336	6,588
2012	4,606	156	4,762
2013	2,264	42	2,306
	<u>\$ 38,545</u>	<u>\$ 2,371</u>	<u>\$ 40,916</u>

STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

6. **LONG-TERM DEBT, continued**

B. LEASE PURCHASES

The following is maturity schedule for all long-term debt except compensated absences payable:

Year ended June 30	Principal	Interest	Total
2009	\$ 129,876	\$ 12,272	\$ 142,148
2010	123,776	10,367	134,143
2011	95,796	8,468	104,264
2012	83,439	6,598	90,037
2013	82,110	5,471	87,581
Subtotal	<u>514,997</u>	<u>43,176</u>	<u>558,173</u>
2014-2018	243,980	11,134	255,114
2019	12,912	277	13,189
Subtotal	<u>256,892</u>	<u>11,411</u>	<u>268,303</u>
Total	<u>\$ 771,889</u>	<u>\$ 54,587</u>	<u>\$ 826,476</u>

C. ACCRUED COMPENSATED ABSENCES

It is the County's policy to permit full-time employees who have completed one year of service to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Sick leave accumulates at the rate of 3.69 hours per pay period. Accrued sick leave is forfeited upon termination of employment. The General Fund will be the fund to liquidate accrued compensated absences if no other fund is liable, otherwise, compensated absences are liquidated by the fund incurring the liability. Amounts liquidated in prior years by fund are not available.

Full-time County employees accrue annual leave according to the following schedule:

Total years of County service	Accrual rate per pay period	Annual maximum
1-4 years	3.077 hours	80 hours
5-9 years	4.616 hours	120 hours
10-14 years	6.153 hours	160 hours
15 or more years	9.231 hours	240 hours

Annual leave must be taken within the calendar year or it will be forfeited. Unused annual leave is paid upon termination of employment.

STATE OF NEW MEXICO
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NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

6. **LONG-TERM DEBT, continued**

D. PRIOR PERIOD ADJUSTMENT

Notes Payable

In the prior fiscal year, County government paid in full a New Mexico Finance Authority (NMFA) loan for the Porter Fire District; however, the balance of the note was not written off, due to a misclassification of the payment. The beginning balance of notes payable has been restated to reflect the effect of the net change in long-term debt.

Capital Leases Payable

Operating leases for road equipment were improperly reported as capital leases in the prior fiscal year and capital leases for office equipment were erroneously reported as operating leases. The beginning balance of capital leases payable was adjusted to reflect the effect of the restatement in long-term debt.

Cumulative Effect of Change in Net Assets of the Statement of Activities

Change resulting from:

Payoff of NMFA loan in prior year	\$ (52,741)
Restatement of capital and operating leases	<u>(405,219)</u>
Total	<u><u>\$ (457,960)</u></u>

Payments on principal and interest are not recorded separately. All interest is considered unallocated. Payments on principal and interest are as follows:

Principal	\$ 117,308
Interest	<u>9,809</u>
Total	<u><u>\$ 127,117</u></u>

STATE OF NEW MEXICO
COUNTY OF QUAY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

7. OPERATING LEASES

The County has entered into operating leases for road equipment. The minimum lease payments are:

2009	\$ 61,380
2010	43,080
2011	43,080
2012	<u>21,540</u>
Total	<u>\$ 169,080</u>

The operating lease expenditures for the year ended June 30, 2008, were \$79,680.

8. COMMITMENTS, CONTINGENT LIABILITIES AND LITIGATION

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantor cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's legal counsel the resolution of these matters will not have a material adverse effect on the financial statements of the County.

9. PERA PENSION PLAN

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

Funding Policy. Plan members are required to contribute 9.15% of gross covered salary for regular County employees and 16.3% for law enforcement personnel. The County is required to contribute 9.15% for regular employees and 18.5% for law enforcement personnel. The contribution requirements of the plan members and the County are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the Legislature. The County's contributions to PERA for the years ended 2008, 2007, and 2006 were \$174,176, \$153,926, and \$158,537, respectively, equal to the amount of the required contributions for each year.

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NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

10. RETIREE HEALTH CARE AUTHORITY

The County does not participate in the State of New Mexico Retiree Health Care Authority.

11. INSURANCE COVERAGE

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters, for which the County carries insurance through the New Mexico Association of Counties Multi-Line Pool. Quay County government participates in Multiline and Law Enforcement pools formed pursuant to Section 11-1-1 et. seq, NMSA 1978 through the organization bylaws and joint powers agreements. Members elect a Board with oversight responsibilities. The following is a summary of the more significant insurance coverage information related to the County.

Coverage provided to the County through membership in the New Mexico County Insurance Authority Multi-Line Pool (Authority) includes tort liability limits for casualty coverage (general automobile, civil rights and public officials' liability) on a "claims made" basis. Property is subject to a limit of \$150,000,000 of pool coverage for each occurrence, with sublimit for certain coverage extensions. Crime coverage has a limit of \$2,000,000. The County pays a deductible of \$1,000 for each property or crime loss and deductible of \$3,000 for each civil rights claim. The Authority pays losses up to \$150,000 for property and \$250,000 for liability per occurrence. Claims above that amount are reinsured with other carriers.

Coverage provided by the Authority Workers' Compensation Pool includes up to \$2,000,000 for each accident and up to \$2,000,000 for each employee or occupational disease. The County also has volunteer firefighters and boiler and machine insurance coverage through the Authority's multi-line pool.

Coverage provided to the County through membership in the New Mexico Association of Counties Law Enforcement Liability Program (Association) includes tort liability limits for police professional liability coverage on a claims made basis. The County pays an operational deductible of \$10,000 per occurrence. The Association pays covered losses above the deductible up to \$250,000 per occurrence from the Association's funds collected for law enforcement only. Excess coverage is provided in an amount up to \$9,000,000 for the annual pool aggregate for covered claims which exceed the self-insured retention.

Coverage from the prior year has not significantly changed.

12. EXCESS OF EXPENDITURES OVER BUDGET

For the fiscal year ended June 30, 2008, actual expenditures exceeded budgeted expenditures at the overall fund level in the following funds:

<u>Special Revenue Funds:</u>	<u>Amount over budget</u>
Law Enforcement Protection Func	<u><u>\$27,541</u></u>

The Law Enforcement Protection Fund budgeted for the purchase of a vehicle in the prior year, but due to unavailability of the vehicle, the payment was finally completed in this fiscal year.

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NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

13. INDUSTRIAL REVENUE BONDS

In accordance with State of New Mexico Statutes, the County has authorized the issuance of Industrial Revenue Bonds for the development of the Caprock Wind Project. These bonds were issued for the purpose of economic development in Quay County. These bonds are an obligation of the project involved and are not a general obligation of the County. The bondholders cannot look to County revenues, in any manner, for repayment of the bonds.

14. PRIOR PERIOD ADJUSTMENTS - GOVERNMENTAL FUNDS

During the current fiscal year, restatements were made to the beginning fund balances to correct for accounting errors as follows:

<u>Description</u>	<u>General</u> <u>Fund</u>	<u>Road Fund</u>	<u>Detention</u> <u>Center</u>
Beginning balances as previously reported June 30, 2007	\$1,436,190	\$307,816	\$94,649
Errors in Accrual of Revenue in fiscal year 2007:			
Motor Vehicle Taxes	(10,481)	(26,352)	
Revenue billed to other governments for incarceration of inmates			(21,900)
Beginning balances as restated, June 30, 2007	<u>\$1,425,709</u>	<u>\$281,464</u>	<u>\$72,749</u>

The effect of the restatements is to reduce revenues improperly reported in the prior fiscal year and to reflect such revenues in the current fiscal year.

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NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2008

15. TAX REVENUE BY TYPE

During the current fiscal year, the County received the following types of tax revenue:

	General Fund	Road Fund	Detention Center Fund	Other Governmental Funds	Total Governmental Activities
Franchise Tax	\$ 499	\$ -	\$ -	\$ -	\$ 499
Gasoline Tax	1,750	183,958			185,708
Gross Receipts	512,285		201,602	952,170	1,666,057
Oil & Gas	43,598			6,012	49,610
Property - 1% Administrative Fee				30,735	30,735
Property - Current	840,996			161,605	1,002,601
Property - Prior Year	85,957			16,887	102,844
Wind Farm-Pmt In Lieu of Taxes	347,320				347,320
	<u>\$ 1,832,405</u>	<u>\$ 183,958</u>	<u>\$ 201,602</u>	<u>\$ 1,167,409</u>	<u>\$ 3,385,374</u>

16. LEASE OF COUNTY HOSPITAL

Quay County government leases its hospital facility and equipment to Presbyterian Healthcare Services (PHS), a New Mexico nonprofit corporation in accordance with Sections 4-48B-1 to 27, NMSA 1978 (The Hospital Funding Act). The lease which has been in effect since August 15, 1978 was terminated and a new lease negotiated on May 12, 2008. The term of the lease is for 10 years, but may be renewed for an additional 10 years. The lease may be terminated by either party without cause or penalty at any time following the third anniversary of the commencement date of the lease of June 1, 2008, upon written notice of 180 days.

The amount of the rental is \$1 per year. PHS additionally agrees to ensure that hospital services are provided to include admission of patients, X-Ray, lab, pharmacy and emergency services which comply with regulations of the New Mexico Department of Health. PHS further agrees to maintain the facility at its cost, up to \$5,000 for a single project or \$25,000 in aggregate per year. The County is responsible for expansion of facilities and major renovations, but is not required to undertake such projects. PHS will pay for all telephone service, janitorial service, interior cosmetic maintenance, ground maintenance and utilities as well as insuring the leased premises for an amount of at least 90% of the insurable value. PHS is required to rebuild the facility if destroyed by or partially destroyed by fire, storm or other risk. Further, PHS will maintain liability insurance of not less than \$1,000,000/\$3,000,000. Finally, PHS agrees to indemnify the County from and against all claims, damages, personal injury, third party damages and acts of hospital personnel and employees, all of whom are under the exclusive control of PHS.

The County is required to impose, collect and distribute to PHS the proceeds of a mill levy authorized by election and to submit the mill levy question to voters prior to the expiration of the current levy. The mill levy is for the purposes of operating and maintaining the hospital facilities and services, remodeling, renovation and additions to the hospital, including new equipment and for

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NOTES TO FINANCIAL STATEMENTS
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16. LEASE OF COUNTY HOSPITAL, continued

other purposes consistent with the Hospital Act, as determined by PHS. The County is also required to annually budget matching funds for the Sole Community Provider funding and to use its best efforts to participate in the program. Should the mill levy support fall below the level as of the commencement of the lease or if the County should fail to pay the mill levy, submit the mill levy question to voters upon expiration or match the Sole Community Provider funding, PHS may terminate the lease. Matching Sole Community Provider funding provided by the County for fiscal year 2008 was \$604,547.

All fixtures and equipment of the hospital owned by the County as of the commencement date of the lease continues to belong to the County. All equipment acquired with the mill levy proceeds shall become the property of the County upon expiration or early termination of the lease.

The County is required to make available any distributions of income from the Dr. Dan C. Trigg Trust, established for the benefit of the Hospital. PHS is responsible for all losses from operation of the hospital and shall receive all excess revenue from the hospital.

Upon expiration or termination, PHS shall return to the County all fixtures and equipment and surrender the property in good condition, subject to reasonable wear and tear. The County shall assume all debt incurred by PHS in connection with acquisition of fixtures or personal property in the event of breach of the lease agreement by the County, reasonably incurred by PHS in connection with its operation of the leased premises, provided the County was notified in advance of its intent to incur such debt. The amount of any debt for which the County might be liable upon termination has not been determined.

SUPPLEMENTAL INFORMATION

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Farm and Range Fund - To account for the operations of farm and range activities, including soil and water conservation, predatory animal and insect control. Financing is provided from distributions made under the Taylor Grazing Act. Authority is Section 6-11-6, NMSA 1978.

Recreation Fund - To account for the operations and maintenance of County owned recreational facilities. Financing is provided by state shared one-cent cigarette tax. Authority is Section 7-12-15, NMSA 1978.

County Indigent Fund - To account for expenditures incurred in providing services for the care of indigents. Financing is provided by the County's share of gross receipts tax and may be used only for that purpose. Authority is Section 27-5-7, NMSA 1978.

Fire District Funds - To account for the operations of the fire districts, which are defined by the area served. Financing is provided from the County's share of the fire allotment issued by the State Fire Marshall under Section 59A-53-5, NMSA 1978. The individual fire districts are:

- Fire District No. 1
- Fire District No. 2
- Fire District No. 3
- Nara Visa Fire District
- Forrest Fire District
- Jordan Fire District
- Bard- Endee Fire District
- Quay Fire District
- Porter Fire District
- Quay County Fire Marshal

EMS (Emergency Medical Services) Fund - To account for a grant to be used for the provision of emergency medical services to County residents. Sources of funds are the State of New Mexico Health Department Emergency Medical Services Bureau. Authority is Section 24-10A-3 through 10, NMSA 1978.

Porter Fire FEMA, and Bard-Endee FEMA Funds - To account for resources provided under grants from FEMA (Federal Emergency Management Agency). Authority is 42 USC 5121.

Highway Beautification Fund - To account for monies received and expended for summer youth program and equipment purchases in connection with litter control and beautification of state highways. Financing is provided by grants from the State Highway Department. Authorized by Section 67-16-14, NMSA 1978.

Reappraisal Fund - To account for the operations of a fund to help with reappraisal of County property to insure valuation reflects current fair market value. Financing is provided by retainage of 1% of tax collections. Authority is Section 7-38-38.1, NMSA 1978.

Hospital Fund - To account for one-eighth of one-percent gross receipts tax revenue for current operations and maintenance of the hospital. Authorized by Section 7-20-21B to 7-20-26, NMSA 1978.

NONMAJOR SPECIAL REVENUE FUNDS, continued

Rural Addressing Fund - To account for resources to be used to mark rural addresses for use by emergency personnel. Authority is Section 67-3-28.2, NMSA 1978.

ASAP - Other Charges Fund - To account for program income and contributions related to ASAP (Alcohol and Substance Abuse Program). Authority is Section 43-3-13, NMSA 1978.

Tucumcari Domestic Violence - To account for domestic violence offender treatment fees collected in magistrate court. Authority is Section 31-12-11, NMSA 1978.

Seizure Fund - To account for monies seized in drug-related crimes, but not available for current expenditure until the forfeiture process has been completed. Authorized by County Commission Resolution 17, pursuant to Section 4-37-1, NMSA 1978.

Drug Enforcement Fund - To account for seized assets related to illegal drug arrests, awarded to the Quay County Sheriff by the courts. The fund was established by Resolution No. 17 of the County Commission, to carry out the provision of the Controlled Substances Act.

Law Enforcement Fund and Law Enforcement JAG Grant Fund- To account for a grant from the State of New Mexico Corrections Department through the Law Enforcement Protection Act. The funding is to be used for law enforcement improvements. Authority is Section 29-13-1, NMSA 1978.

Juvenile Detention Officer Fund - To account for monies received and expended for Juvenile Detention Officers. The financing of the fund is provided by transfers from Quay County General Fund and from federal subsidies from the U.S. Department of Agriculture. Authority is 42 USC 1758.

Primary Care Clinic Fund - To account for resources provided by the State of New Mexico Health Department to operate a medical clinic. Funding is through the Rural Primary Health Care Act, Section 24-1B-7, NMSA 1978.

Clerk's Equipment Fund - To account for an additional \$3 recording fee collected by the Clerk's office to pay for equipment and supplies for the Clerk's office. Authority is the Absentee-Early Voting Act, Section 14-89-12.2, NMSA 1978.

DWI Distribution Fund - To account for funds collected from liquor excise taxes and distributed to counties and municipalities for use in DWI prevention. Authority is Section 11-6A-a, NMSA 1978.

Environmental Gross Receipts Tax Fund - To account for funds received through an incremental one-eighth of one percent environmental gross receipts to be used for solid waste or wastewater facilities. Authorized by Section 7-20E-17, NMSA 1978.

DWI Grant Fund - To account for a grant from the State of New Mexico for D.W.I. detection and prevention pursuant to Chapter 65, New Mexico Laws of 1993. Authority is Section 11-6A--1, NMSA 1978.

ASAP Fund - To account for monies received under a grant from the New Mexico Department of Health. Program activities include awareness and prevention of substance abuse. Authority is Section 43-3-13, NMSA 1978.

NONMAJOR SPECIAL REVENUE FUNDS, continued

Magistrate Court - Misdemeanor Fund - To account for probation fees imposed by Magistrate Court to be used for Court-approved programs. Authority is County Commission Resolution 03-43.

TUPAC Fund - To account for resources provided by the tobacco legal settlement for programs to prevent tobacco and substance abuse. Authorized by County Commission Resolution 03-88.

DWI Fees Funds - To account for the collection and expenditures of certain DWI fees. Authority is Section 11-6A-1, NMSA 1978. The funds are:

- DWI Probation Fees
- DWI Screening Fees
- DWI Treatment Fees
- DWI UA (Urinalysis) Fees

Senior Citizens Center Grant Fund - To account for the grant for Senior Citizens Center for Nara Visa. Funding is provided by a grant from New Mexico Aging and Long Term Care Department.

Road Equipment Fund - To account for money transferred from the Road Fund as a reserve to purchase road equipment at a later date. Authorized by County Commission Resolution.

Capital Improvement Fund - Created by the local governing body pursuant to guidance from the Department of Finance, local government regulatory authority to self-fund capital improvements.

NONMAJOR CAPITAL PROJECTS FUND

Quay County Hospital Roof Fund - To account for resources used to improve the Dr. Dan C. Trigg Memorial Hospital in Tucumcari. Funding is provided by Community Development Block Grant (CDBG) Funds, U.S. Department of Housing and Urban Development.

COUNTY OF QUAY, NEW MEXICO

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

	<u>Special Revenue</u>			
	<u>403</u>	<u>404</u>	<u>406</u>	<u>407</u>
	<u>Farm and Range</u>	<u>Recreation</u>	<u>County Indigent</u>	<u>Fire District No. 1</u>
ASSETS				
Cash and investments	\$ 712	\$ 72	\$ 31,088	\$ 40,873
Receivables	-	-	54,414	-
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Interest receivable	-	-	-	-
Delinquent property taxes receivable	-	-	-	-
Capital assets, net	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 712</u>	<u>\$ 72</u>	<u>\$ 85,502</u>	<u>\$ 40,873</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other funds	-	-	65,246	-
Accrued salary payable	-	-	-	-
Noncurrent liabilities - due within one year	-	-	-	-
Noncurrent liabilities - due in more than one year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>65,246</u>	<u>-</u>
FUND BALANCE				
Unreserved:				
Designated for subsequent year's expenditures:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Undesignated:				
Special revenue funds	712	72	20,256	40,873
Capital projects funds	-	-	-	-
	<u>712</u>	<u>72</u>	<u>20,256</u>	<u>40,873</u>
Total fund balance	<u>712</u>	<u>72</u>	<u>20,256</u>	<u>40,873</u>
Total liabilities and fund balance	<u>\$ 712</u>	<u>\$ 72</u>	<u>\$ 85,502</u>	<u>\$ 40,873</u>

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

<u>408</u>	<u>409</u>	<u>410</u>	<u>411</u>	<u>412</u>
<u>Fire District No. 2</u>	<u>Fire District No. 3</u>	<u>Nara Visa Fire District</u>	<u>Forrest Fire District</u>	<u>Jordan Fire District</u>
\$ 27,067	\$ 95,638	\$ 68,611	\$ 40,213	\$ 115,646
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 27,067</u>	<u>\$ 95,638</u>	<u>\$ 68,611</u>	<u>\$ 40,213</u>	<u>\$ 115,646</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
27,067	95,638	68,611	40,213	115,646
-	-	-	-	-
<u>27,067</u>	<u>95,638</u>	<u>68,611</u>	<u>40,213</u>	<u>115,646</u>
<u>\$ 27,067</u>	<u>\$ 95,638</u>	<u>\$ 68,611</u>	<u>\$ 40,213</u>	<u>\$ 115,646</u>

COUNTY OF QUAY, NEW MEXICO

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

	<u>Special Revenue</u>			
	<u>413</u>	<u>414</u>	<u>415</u>	<u>417</u>
	<u>Bard-Endee Fire District</u>	<u>EMS</u>	<u>Quay Fire District</u>	<u>Bard-Endee FEMA</u>
ASSETS				
Cash and investments	\$ 109,225	\$ 258	\$ 66,761	\$ 100
Receivables	-	-	-	10,100
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Interest receivable	-	-	-	-
Delinquent property taxes receivable	-	-	-	-
Capital assets, net	-	-	-	-
Total assets	<u>\$ 109,225</u>	<u>\$ 258</u>	<u>\$ 66,761</u>	<u>\$ 10,200</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	-
Accrued salary payable	-	-	-	-
Noncurrent liabilities - due within one year	-	-	-	-
Noncurrent liabilities - due in more than one year	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Unreserved:				
Designated for subsequent year's expenditures:				
Special revenue funds	-	-	-	-
Capital projects funds				
Undesignated:				
Special revenue funds	109,225	258	66,761	10,200
Capital projects funds	-	-	-	-
Total fund balance	<u>109,225</u>	<u>258</u>	<u>66,761</u>	<u>10,200</u>
Total liabilities and fund balance	<u>\$ 109,225</u>	<u>\$ 258</u>	<u>\$ 66,761</u>	<u>\$ 10,200</u>

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

<u>418</u>	<u>420</u>	<u>430</u>	<u>499</u>	<u>501</u>
<u>Porter Fire District</u>	<u>Quay County Fire Marshall</u>	<u>Highway Beautification</u>	<u>Reappraisal</u>	<u>Hospital</u>
\$ 27,065	\$ 4,330	\$ 1,257	\$ 5,897	\$ 475,511
-	-	-	-	181,675
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 27,065</u>	<u>\$ 4,330</u>	<u>\$ 1,257</u>	<u>\$ 5,897</u>	<u>\$ 657,186</u>
\$ -	\$ -	\$ -	\$ 470	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	470	-
-	-	-	-	-
27,065	4,330	1,257	5,427	657,186
-	-	-	-	-
<u>27,065</u>	<u>4,330</u>	<u>1,257</u>	<u>5,427</u>	<u>657,186</u>
<u>\$ 27,065</u>	<u>\$ 4,330</u>	<u>\$ 1,257</u>	<u>\$ 5,897</u>	<u>\$ 657,186</u>

COUNTY OF QUAY, NEW MEXICO

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

	<u>Special Revenue</u>			
	<u>503</u>	<u>516</u>	<u>520</u>	<u>601</u>
	<u>Rural Addressing</u>	<u>ASAP - Other Charges</u>	<u>Tucumcari Domestic Violence</u>	<u>Seizure</u>
ASSETS				
Cash and investments	\$ 12,374	\$ 44,165	\$ 9,670	\$ 6,736
Receivables	-	-	-	-
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Interest receivable	-	-	-	-
Delinquent property taxes receivable	-	-	-	-
Capital assets, net	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 12,374</u>	<u>\$ 44,165</u>	<u>\$ 9,670</u>	<u>\$ 6,736</u>
LIABILITIES				
Accounts payable	\$ -	\$ 106	\$ -	\$ -
Deferred revenue	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	-
Accrued salary payable	-	-	-	-
Noncurrent liabilities - due within one year	-	-	-	-
Noncurrent liabilities - due in more than one year	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>106</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Unreserved:				
Designated for subsequent year's expenditures:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Undesignated:				
Special revenue funds	12,374	44,059	9,670	6,736
Capital projects funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balance	<u>12,374</u>	<u>44,059</u>	<u>9,670</u>	<u>6,736</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 12,374</u>	<u>\$ 44,165</u>	<u>\$ 9,670</u>	<u>\$ 6,736</u>

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

<u>603</u>	<u>607</u>	<u>608</u>	<u>610</u>	<u>613</u>
<u>Drug Enforcement</u>	<u>Law Enforcement Protection</u>	<u>Law Enforcement - JAG Grant</u>	<u>Juvenile Detention Officer</u>	<u>Primary Care Clinic</u>
\$ 29,025	\$ 134	\$ 5,904	\$ 14,451	\$ 57,245
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 29,025</u>	<u>\$ 134</u>	<u>\$ 5,904</u>	<u>\$ 14,451</u>	<u>\$ 57,245</u>
\$ -	\$ 174	\$ -	\$ -	\$ -
5,000	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>5,000</u>	<u>174</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
24,025	(40)	5,904	14,451	57,245
-	-	-	-	-
<u>24,025</u>	<u>(40)</u>	<u>5,904</u>	<u>14,451</u>	<u>57,245</u>
<u>\$ 29,025</u>	<u>\$ 134</u>	<u>\$ 5,904</u>	<u>\$ 14,451</u>	<u>\$ 57,245</u>

COUNTY OF QUAY, NEW MEXICO

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

	<u>Special Revenue</u>			
	<u>621</u>	<u>622</u>	<u>623</u>	<u>624</u>
	<u>Clerk's Equipment</u>	<u>DWI Distribution</u>	<u>Environmental Gross Receipts Tax</u>	<u>DWI Grant</u>
ASSETS				
Cash and investments	\$ 47,253	\$ 13,790	\$ 109,085	\$ -
Receivables	-	-	11,519	-
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Interest receivable	-	-	-	-
Delinquent property taxes receivable	-	-	-	-
Capital assets, net	-	-	-	-
Total assets	<u>\$ 47,253</u>	<u>\$ 13,790</u>	<u>\$ 120,604</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	-
Accrued salary payable	-	-	-	-
Noncurrent liabilities - due within one year	-	-	-	-
Noncurrent liabilities - due in more than one year	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Unreserved:				
Designated for subsequent year's expenditures:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Undesignated:				
Special revenue funds	47,253	13,790	120,604	-
Capital projects funds	-	-	-	-
Total fund balance	<u>47,253</u>	<u>13,790</u>	<u>120,604</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 47,253</u>	<u>\$ 13,790</u>	<u>\$ 120,604</u>	<u>\$ -</u>

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

<u>626</u>	<u>628</u>	<u>630</u>	<u>631</u>	<u>632</u>
<u>ASAP</u>	<u>Magistrate Court - Misdemeanor</u>	<u>TUPAC</u>	<u>DWI Probation Fees</u>	<u>DWI Screening Fees</u>
\$ 8,213	\$ 14,359	\$ 8,488	\$ 4,617	\$ 1,966
6,808	-	4,321	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>15,021</u>	<u>14,359</u>	<u>12,809</u>	<u>4,617</u>	<u>1,966</u>
\$ 956	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
14,065	14,359	12,809	4,617	1,966
-	-	-	-	-
<u>14,065</u>	<u>14,359</u>	<u>12,809</u>	<u>4,617</u>	<u>1,966</u>
<u>\$ 15,021</u>	<u>\$ 14,359</u>	<u>\$ 12,809</u>	<u>\$ 4,617</u>	<u>\$ 1,966</u>

COUNTY OF QUAY, NEW MEXICO

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008

	<u>Special Revenue</u>			
	<u>633</u>	<u>634</u>	<u>639</u>	<u>649</u>
	<u>DWI Treatment Fees</u>	<u>DWI UA Fees</u>	<u>Nara Visa Senior Citizens Grant</u>	<u>Capital Improvement</u>
ASSETS				
Cash and investments	\$ 3,692	\$ 10,250	\$ -	\$ 270,000
Receivables	-	-	-	-
Taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
Interest receivable	-	-	-	-
Delinquent property taxes receivable	-	-	-	-
Capital assets, net	-	-	-	-
Total assets	<u>\$ 3,692</u>	<u>\$ 10,250</u>	<u>\$ -</u>	<u>\$ 270,000</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
Compensated absences payable	-	-	-	-
Due to other funds	-	-	-	-
Accrued salary payable	-	-	-	-
Noncurrent liabilities - due within one year	-	-	-	-
Noncurrent liabilities - due in more than one year	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Unreserved:				
Designated for subsequent year's expenditures:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Undesignated:				
Special revenue funds	3,692	10,250	-	270,000
Capital projects funds	-	-	-	-
Total fund balance	<u>3,692</u>	<u>10,250</u>	<u>-</u>	<u>270,000</u>
Total liabilities and fund balance	<u>\$ 3,692</u>	<u>\$ 10,250</u>	<u>\$ -</u>	<u>\$ 270,000</u>

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

<u>Special Revenue</u>	<u>Capital Projects</u>	
<u>650</u>	<u>655</u>	
<u>Road Equipment</u>	<u>CDBG - Quay County Hospital Roof Fund</u>	<u>Total</u>
\$ 171,646	\$ 19,729	\$ 1,973,116
-	-	268,837
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ 171,646</u>	<u>\$ 19,729</u>	<u>\$ 2,241,953</u>
\$ -	\$ -	\$ 1,706
-	-	5,000
-	-	-
-	-	65,246
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>71,952</u>
-	-	-
-	-	-
171,646	-	2,150,272
-	19,729	19,729
<u>171,646</u>	<u>19,729</u>	<u>2,170,001</u>
<u>\$ 171,646</u>	<u>\$ 19,729</u>	<u>\$ 2,241,953</u>

COUNTY OF QUAY, NEW MEXICO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the year ended June 30, 2008

	Special Revenue			
	403	404	406	407
	Farm and Range	Recreation	County Indigent	Fire District No. 1
Revenue:				
Taxes	\$ -	\$ -	\$ 303,287	\$ -
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous	-	-	-	-
Intergovernmental	44	-	-	60,858
Investment earnings	-	-	3,154	1,244
Contributions and donations	-	-	-	-
Total revenues	44	-	306,441	62,102
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	270,135	25,401
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal and interest payments	-	-	-	21,248
Total expenditures	-	-	270,135	46,649
Excess (deficiency) of revenues over expenditures	44	-	36,306	15,453
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	(21,872)	-
Sale of capital assets	-	-	-	-
Total other financing sources over other financing (uses)	-	-	(21,872)	-
Net change in fund balance	44	-	14,434	15,453
Fund balance, beginning of year	668	72	5,822	25,420
Fund balance, end of year	\$ 712	\$ 72	\$ 20,256	\$ 40,873

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

<u>408</u>	<u>409</u>	<u>410</u>	<u>411</u>	<u>412</u>
<u>Fire District No. 2</u>	<u>Fire District No. 3</u>	<u>Nara Visa Fire District</u>	<u>Forrest Fire District</u>	<u>Jordan Fire District</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
32	13	50	58	59
60,858	60,858	43,628	44,252	100,963
1,188	2,759	1,643	1,189	2,546
-	-	-	-	-
<u>62,078</u>	<u>63,630</u>	<u>45,321</u>	<u>45,499</u>	<u>103,568</u>
-	-	-	-	-
41,648	21,822	16,037	23,543	23,538
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
8,688	6,783	-	11,965	18,227
<u>50,336</u>	<u>28,605</u>	<u>16,037</u>	<u>35,508</u>	<u>41,765</u>
<u>11,742</u>	<u>35,025</u>	<u>29,284</u>	<u>9,991</u>	<u>61,803</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11,742	35,025	29,284	9,991	61,803
<u>15,325</u>	<u>60,613</u>	<u>39,327</u>	<u>30,222</u>	<u>53,843</u>
<u>\$ 27,067</u>	<u>\$ 95,638</u>	<u>\$ 68,611</u>	<u>\$ 40,213</u>	<u>\$ 115,646</u>

COUNTY OF QUAY, NEW MEXICO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the year ended June 30, 2008

	Special Revenue			
	413	414	415	417
	Bard-Endee Fire District	EMS	Quay Fire District	Bard-Endee FEMA
Revenue:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous	184	-	8	-
Intergovernmental	92,256	16,000	43,628	30,000
Investment earnings	4,850	-	1,608	-
Contributions and donations	-	-	-	-
Total revenues	97,290	16,000	45,244	30,000
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	31,734	20,514	15,574	19,800
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	110,634	-	-	-
Debt service:				
Principal and interest payments	10,174	-	1,870	-
Total expenditures	152,542	20,514	17,444	19,800
Excess (deficiency) of revenues over expenditures	(55,252)	(4,514)	27,800	10,200
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources over other financing (uses)	-	-	-	-
Net change in fund balance	(55,252)	(4,514)	27,800	10,200
Fund balance, beginning of year	164,477	4,772	38,961	-
Fund balance, end of year	\$ 109,225	\$ 258	\$ 66,761	\$ 10,200

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

<u>418</u>	<u>420</u>	<u>430</u>	<u>499</u>	<u>501</u>
<u>Porter Fire District</u>	<u>Quay County Fire Marshall</u>	<u>Highway Beautification</u>	<u>Reappraisal</u>	<u>Hospital</u>
\$ -	\$ -	\$ -	\$ 30,735	\$ 779,898
-	-	-	-	-
-	-	-	1,092	-
-	-	-	-	-
50	-	-	-	-
43,829	58,551	-	-	-
999	791	-	-	-
-	-	-	-	-
<u>44,878</u>	<u>59,342</u>	<u>-</u>	<u>31,827</u>	<u>779,898</u>
-	-	-	28,297	436,002
22,552	42,079	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>22,552</u>	<u>42,079</u>	<u>-</u>	<u>28,297</u>	<u>436,002</u>
<u>22,326</u>	<u>17,263</u>	<u>-</u>	<u>3,530</u>	<u>343,896</u>
-	-	-	-	-
-	(13,050)	-	-	(25,000)
-	-	-	-	-
<u>-</u>	<u>(13,050)</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>
22,326	4,213	-	3,530	318,896
4,739	117	1,257	1,897	338,290
<u>\$ 27,065</u>	<u>\$ 4,330</u>	<u>\$ 1,257</u>	<u>\$ 5,427</u>	<u>\$ 657,186</u>

COUNTY OF QUAY, NEW MEXICO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the year ended June 30, 2008

	Special Revenue			
	503	516	520	601
	Rural Addressing	ASAP - Other Charges	Tucumcari Domestic Violence	Seizure
Revenue:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Charges for services	225	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous	-	12,293	11,035	-
Intergovernmental	-	-	-	-
Investment earnings	-	-	-	-
Contributions and donations	-	-	-	-
Total revenues	225	12,293	11,035	-
Expenditures:				
Current:				
General government	7,656	-	-	-
Public safety	-	16,926	1,365	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal and interest payments	-	-	-	-
Total expenditures	7,656	16,926	1,365	-
Excess (deficiency) of revenues over expenditures	(7,431)	(4,633)	9,670	-
Other financing sources (uses):				
Operating transfers in	13,219	-	-	-
Operating transfers (out)	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources over other financing (uses)	13,219	-	-	-
Net change in fund balance	5,788	(4,633)	9,670	-
Fund balance, beginning of year	6,586	48,692	-	6,736
Fund balance, end of year	\$ 12,374	\$ 44,059	\$ 9,670	\$ 6,736

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

603	607	608	610	613
Drug Enforcement	Law Enforcement Protection	Law Enforcement - JAG Grant	Juvenile Detention Officer	Primary Care Clinic
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,584	-	-	-	800
-	23,600	5,904	-	144,200
2,643	1,117	-	-	-
-	-	-	-	-
<u>5,227</u>	<u>24,717</u>	<u>5,904</u>	<u>-</u>	<u>145,000</u>
-	-	-	-	-
13,712	4,556	-	45,152	-
-	-	-	-	-
-	-	-	-	143,975
-	46,585	-	-	-
-	-	-	-	-
<u>13,712</u>	<u>51,141</u>	<u>-</u>	<u>45,152</u>	<u>143,975</u>
<u>(8,485)</u>	<u>(26,424)</u>	<u>5,904</u>	<u>(45,152)</u>	<u>1,025</u>
-	-	-	59,280	-
-	(7,390)	-	-	-
-	-	-	-	-
<u>-</u>	<u>(7,390)</u>	<u>-</u>	<u>59,280</u>	<u>-</u>
(8,485)	(33,814)	5,904	14,128	1,025
<u>32,510</u>	<u>33,774</u>	<u>-</u>	<u>323</u>	<u>56,220</u>
<u>\$ 24,025</u>	<u>\$ (40)</u>	<u>\$ 5,904</u>	<u>\$ 14,451</u>	<u>\$ 57,245</u>

COUNTY OF QUAY, NEW MEXICO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the year ended June 30, 2008

	Special Revenue			
	621	622	623	624
	Clerk's Equipment	DWI Distribution	Environmental Gross Receipts Tax	DWI Grant
Revenue:				
Taxes	\$ -	\$ -	\$ 53,489	\$ -
Licenses and permits	-	-	-	-
Charges for services	8,369	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous	-	179	-	68
Intergovernmental	-	65,031	-	36,362
Investment earnings	3,128	-	-	-
Contributions and donations	-	-	-	-
Total revenues	11,497	65,210	53,489	36,430
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	67,442	-	38,733
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal and interest payments	-	-	-	-
Total expenditures	-	67,442	-	38,733
Excess (deficiency) of revenues over expenditures	11,497	(2,232)	53,489	(2,303)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources over other financing (uses)	-	-	-	-
Net change in fund balance	11,497	(2,232)	53,489	(2,303)
Fund balance, beginning of year	35,756	16,022	67,115	2,303
Fund balance, end of year	\$ 47,253	\$ 13,790	\$ 120,604	\$ -

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

626	628	630	631	632
ASAP	Magistrate Court - Misdemeanor	TUPAC	DWI Probation Fees	DWI Screening Fees
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	13,435	-	18,302	-
-	-	-	-	3,550
87,950	-	41,333	-	-
-	-	-	-	-
-	-	-	-	-
<u>87,950</u>	<u>13,435</u>	<u>41,333</u>	<u>18,302</u>	<u>3,550</u>
76,525	-	36,610	-	-
-	12,548	-	33,496	8,710
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>76,525</u>	<u>12,548</u>	<u>36,610</u>	<u>33,496</u>	<u>8,710</u>
<u>11,425</u>	<u>887</u>	<u>4,723</u>	<u>(15,194)</u>	<u>(5,160)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
11,425	887	4,723	(15,194)	(5,160)
<u>2,640</u>	<u>13,472</u>	<u>8,086</u>	<u>19,811</u>	<u>7,126</u>
<u>\$ 14,065</u>	<u>\$ 14,359</u>	<u>\$ 12,809</u>	<u>\$ 4,617</u>	<u>\$ 1,966</u>

COUNTY OF QUAY, NEW MEXICO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the year ended June 30, 2008

	Special Revenue			
	633	634	639	649
	DWI Treatment Fees	DWI UA Fees	Nara Visa Senior Citizens Grant	Capital Improvement
Revenue:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous	60	5,191	-	-
Intergovernmental	-	-	16,305	-
Investment earnings	-	-	-	-
Contributions and donations	-	-	-	-
Total revenues	<u>60</u>	<u>5,191</u>	<u>16,305</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	825	1,219	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	16,305	-
Health and welfare	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal and interest payments	-	-	-	-
Total expenditures	<u>825</u>	<u>1,219</u>	<u>16,305</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(765)</u>	<u>3,972</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	270,000
Operating transfers (out)	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources over other financing (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,000</u>
Net change in fund balance	(765)	3,972	-	270,000
Fund balance, beginning of year	<u>4,457</u>	<u>6,278</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,692</u>	<u>\$ 10,250</u>	<u>\$ -</u>	<u>\$ 270,000</u>

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

<u>Special Revenue</u>	<u>Capital Projects</u>	
<u>650</u>	<u>655</u>	
<u>Road Equipment</u>	<u>CDBG - Quay County Hospital Roof Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 1,167,409
-	-	-
-	-	9,686
-	-	31,737
-	-	36,214
101,527	50	1,177,987
-	-	28,859
-	-	-
<u>101,527</u>	<u>50</u>	<u>2,451,892</u>
-	-	585,090
-	-	819,061
-	-	-
-	-	16,305
-	5,321	149,296
-	-	157,219
-	-	78,955
<u>-</u>	<u>5,321</u>	<u>1,805,926</u>
<u>101,527</u>	<u>(5,271)</u>	<u>645,966</u>
20,000	25,000	387,499
(256,000)	-	(323,312)
-	-	-
<u>(236,000)</u>	<u>25,000</u>	<u>64,187</u>
(134,473)	19,729	710,153
306,119	-	1,459,848
<u>\$ 171,646</u>	<u>\$ 19,729</u>	<u>\$ 2,170,001</u>

COUNTY OF QUAY, NEW MEXICO

Farm and Range Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	403			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenue:				
Taxes - federal shared:				
Taylor grazing	\$ 50	\$ 50	\$ 44	\$ (6)
Total revenues	50	50	44	(6)
Expenditures:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) revenues over expenditures	50	50	44	(6)
Budgeted cash balance, beginning of year	668	668	668	-
Budgeted cash balance, end of year	<u>\$ 718</u>	<u>\$ 718</u>	<u>\$ 712</u>	<u>\$ (6)</u>

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

COUNTY OF QUAY, NEW MEXICO

Recreation Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	404			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
State shared taxes:				
Cigarette tax	\$ 30	\$ 30	\$ -	\$ (30)
Total revenues	30	30	-	(30)
Expenditures:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) revenues over expenditures	30	30	-	(30)
Other financing sources (uses):				
Operating transfers in				-
Operating transfers (out)				-
Sale of county property				-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	30	30	-	(30)
Budgeted cash balance, beginning of year	72	72	72	-
Budgeted cash balance, end of year	<u>\$ 102</u>	<u>\$ 102</u>	<u>\$ 72</u>	<u>\$ (30)</u>

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

COUNTY OF QUAY, NEW MEXICO

Indigent Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Taxes - local effort:				
Gross receipts taxes	\$ 257,088	\$ 257,088	\$ 303,287	\$ 46,199
Miscellaneous:				
Investment income	-	-	3,154	3,154
Total revenues	<u>257,088</u>	<u>257,088</u>	<u>306,441</u>	<u>49,353</u>
Expenditures:				
Current:				
Office supplies	2,540	2,540	2,278	262
County-supported Medicaid	80,000	80,000	81,488	(1,488)
Sole community provider	195,921	195,921	168,544	27,377
Indigent burial and expenses	2,500	2,500	1,200	1,300
Indigent hospital claims	<u>20,000</u>	<u>20,000</u>	<u>16,625</u>	<u>3,375</u>
Total expenditures	<u>300,961</u>	<u>300,961</u>	<u>270,135</u>	<u>30,826</u>
Excess (deficiency) revenues over expenditures	<u>(43,873)</u>	<u>(43,873)</u>	<u>36,306</u>	<u>80,179</u>
Other financing sources (uses):				
Operating transfers in	43,873	43,873	-	43,873
Operating transfers (out)	<u>-</u>	<u>(21,872)</u>	<u>(21,872)</u>	<u>-</u>
Total other financing sources (uses)	<u>43,873</u>	<u>22,001</u>	<u>(21,872)</u>	<u>43,873</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	(21,872)	14,434	36,306
Budgeted cash balance, beginning of year	<u>21,539</u>	<u>21,539</u>	<u>21,539</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 21,539</u>	<u>\$ (333)</u>	<u>\$ 35,973</u>	<u>\$ 36,306</u>

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

COUNTY OF QUAY, NEW MEXICO

Fire District Number 1 Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	407			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenue:				
Miscellaneous:				
Interest income	\$ -	\$ -	\$ 1,244	\$ 1,244
Grants:				
State:				
Fire allotment	60,858	60,858	60,858	-
Total revenues	<u>60,858</u>	<u>60,858</u>	<u>62,102</u>	<u>1,244</u>
Expenditures:				
Current:				
Per diem	-	-	950	(950)
Maintenance and repair - buildings	1,500	1,500	-	1,500
Maintenance and repair - equipment	8,000	8,000	4,418	3,582
Office supplies	400	400	158	242
Safety equipment	100	100	506	(406)
Uniform allowance	750	750	162	588
Protective clothing	4,000	4,000	2,118	1,882
Gasoline	3,000	3,000	1,720	1,280
Oil and lube	500	500	-	500
Tires, tubes, repairs	1,500	1,500	-	1,500
Tools and supplies	200	200	-	200
Communications	2,000	2,000	3,311	(1,311)
Employee training	3,989	3,989	433	3,556
Property and casualty insurance	3,000	3,000	3,000	-
Accident and sickness insurance	4,100	4,100	4,020	80
Postage	50	50	108	(58)
Telephone	1,200	1,200	785	415
Utilities	3,000	3,000	3,126	(126)
Heating and gas	1,500	1,500	586	914
Capital outlay -vehicles	821	821	-	821
Principal - NMFA	21,248	21,248	21,248	-
Total expenditures	<u>60,858</u>	<u>60,858</u>	<u>46,649</u>	<u>14,209</u>
Excess (deficiency) revenues over expenditures	<u>-</u>	<u>-</u>	<u>15,453</u>	<u>15,453</u>
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	<u>-</u>	<u>-</u>	<u>15,453</u>	<u>15,453</u>
Budgeted cash balance, beginning of year	<u>25,420</u>	<u>25,420</u>	<u>25,420</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 25,420</u>	<u>\$ 25,420</u>	<u>\$ 40,873</u>	<u>\$ 15,453</u>

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

COUNTY OF QUAY, NEW MEXICO

Fire District Number 2 Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	408			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Miscellaneous:				
Reimbursements\refunds	\$ -	\$ -	\$ 32	\$ 32
Interest income	-	-	1,188	1,188
Grants:				
State:				
Fire allotment	60,858	60,858	60,858	-
Total revenues	<u>60,858</u>	<u>60,858</u>	<u>62,078</u>	<u>1,220</u>
Expenditures:				
Current:				
Mileage	100	100	280	(180)
Per diem	150	150	810	(660)
Registration	100	100	350	(250)
Maintenance and repair - buildings	1,000	1,000	1,000	-
Maintenance and repair - grounds	500	500	212	288
Maintenance and repair - equipment	5,000	5,000	8,242	(3,242)
State forestry equipment reimbursement	613	613	-	613
Forestry services reimbursement	589	589	468	121
Office supplies	1,000	1,000	365	635
Safety equipment	6,914	6,914	7,595	(681)
Uniform allowance	2,000	2,000	-	2,000
Protective clothing	3,300	3,300	-	3,300
Gasoline	2,500	2,500	2,623	(123)
Oil and lube	500	500	26	474
Tires, tubes, repairs	2,500	2,500	498	2,002
Tools and supplies	500	500	641	(141)
Communications	3,000	3,000	-	3,000
Employee training	4,854	4,854	182	4,672
Property and casualty insurance	3,000	3,000	3,000	-
Accident and sickness insurance	4,000	4,000	4,020	(20)
Postage	50	50	16	34
Telephone	2,000	2,000	2,670	(670)
Utilities	2,000	2,000	2,582	(582)
Heating and gas	3,000	3,000	3,909	(909)
Miscellaneous	-	-	2,025	(2,025)
Equipment and machinery	-	-	134	(134)
Capital outlay - buildings	3,000	3,000	-	3,000
Principal - NMFA	8,688	8,688	8,688	-
Total expenditures	<u>60,858</u>	<u>60,858</u>	<u>50,336</u>	<u>10,522</u>
Excess (deficiency) revenues over expenditures	<u>-</u>	<u>-</u>	<u>11,742</u>	<u>11,742</u>
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	11,742	11,742
Budgeted cash balance, beginning of year	<u>15,325</u>	<u>15,325</u>	<u>15,325</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 15,325</u>	<u>\$ 15,325</u>	<u>\$ 27,067</u>	<u>\$ 11,742</u>

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

COUNTY OF QUAY, NEW MEXICO

Fire District Number 3 Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Miscellaneous:				
Reimbursements\refunds	\$ -	\$ -	\$ 13	\$ 13
Interest income	-	-	2,759	2,759
Grants:				
State:				
Fire allotment	60,858	60,858	60,858	-
Total revenues	60,858	60,858	63,630	2,772
Expenditures:				
Current:				
Maintenance and repair - buildings	6,500	6,500	1,084	5,416
Maintenance and repair - equipment	9,000	9,000	7,556	1,444
State forestry equipment reimbursement	5,355	5,355	-	5,355
Office supplies	500	500	-	500
Safety equipment	1,500	1,500	-	1,500
Uniform allowance	3,000	3,000	427	2,573
Gasoline	3,500	3,500	749	2,751
Oil and lube	251	251	-	251
Tires, tubes, repairs	750	750	-	750
Tools and supplies	500	500	-	500
Communications	2,800	2,800	-	2,800
Employee training	4,287	4,287	-	4,287
Property and casualty insurance	3,000	3,000	3,000	-
Accident and sickness insurance	4,032	4,032	4,020	12
Postage	100	100	27	73
Telephone	2,000	2,000	658	1,342
Utilities	2,500	2,500	3,440	(940)
Heating and gas	4,500	4,500	861	3,639
Principal - NMFA	6,783	6,783	6,783	-
Total expenditures	60,858	60,858	28,605	32,253
Excess (deficiency) revenues over expenditures	-	-	35,025	35,025
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	35,025	35,025
Budgeted cash balance, beginning of year	60,613	60,613	60,613	-
Budgeted cash balance, end of year	\$ 60,613	\$ 60,613	\$ 95,638	\$ 35,025

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

COUNTY OF QUAY, NEW MEXICO

Nara Visa Fire District Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	410			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenue:				
Miscellaneous:				
Reimbursements/refunds	\$ -	\$ -	\$ 50	\$ 50
Interest income	-	-	1,643	1,643
Grants:				
State:				
Fire allotment	43,628	43,628	43,628	-
Total revenues	43,628	43,628	45,321	1,693
Expenditures:				
Current:				
Mileage	500	500	-	500
Per diem	500	500	-	500
Registration	377	377	-	377
Maintenance and repair - buildings	1,500	1,500	-	1,500
Maintenance and repair - equipment	6,000	6,000	-	6,000
Office supplies	346	346	-	346
Safety equipment	800	800	-	800
Uniform allowance	1,200	1,200	-	1,200
Protective clothing	2,500	2,500	-	2,500
Gasoline	2,000	2,000	1,505	495
Oil and lube	250	250	-	250
Tires, tubes, repairs	1,500	1,500	-	1,500
Tools and supplies	100	100	-	100
Communications	1,500	1,500	304	1,196
Employee training	2,855	2,855	-	2,855
Property and casualty insurance	3,000	3,000	3,000	-
Accident and sickness insurance	4,100	4,100	4,020	80
Postage	100	100	52	48
Telephone	1,000	1,000	878	122
Utilities	2,500	2,500	3,274	(774)
Heating and gas	1,000	1,000	3,004	(2,004)
Total expenditures	33,628	33,628	16,037	17,591
Excess (deficiency) revenues over expenditures	10,000	10,000	29,284	19,284
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	10,000	10,000	29,284	19,284
Budgeted cash balance, beginning of year	39,327	39,327	39,327	-
Budgeted cash balance, end of year	\$ 49,327	\$ 49,327	\$ 68,611	\$ 19,284

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

COUNTY OF QUAY, NEW MEXICO

Forrest Fire District Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	411			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenue:				
Miscellaneous:				
Reimbursements\refunds	\$ -	\$ -	\$ 58	\$ 58
Interest income	-	-	1,189	1,189
Grants:				
State:				
Fire allotment	43,628	43,628	43,628	-
Other	805	2,176	420	(1,756)
Manpower	-	-	204	204
Total revenues	<u>44,433</u>	<u>45,804</u>	<u>45,499</u>	<u>(305)</u>
Expenditures:				
Current:				
Mileage	700	700	-	700
Per diem	1,000	1,000	-	1,000
Registration	600	600	-	600
Maintenance and repair - buildings	500	500	64	436
Maintenance and repair - grounds	500	500	674	(174)
Maintenance and repair - equipment	3,000	3,000	858	2,142
State forestry equipment reimbursement	2,990	4,229	978	3,251
Forestry services reimbursement	-	946	946	-
Office supplies	300	300	-	300
Safety equipment	2,000	2,000	5,349	(3,349)
Uniform allowance	1,250	1,250	-	1,250
Gasoline	1,500	1,500	-	1,500
Oil and lube	500	500	-	500
Tires, tubes, repairs	700	700	-	700
Tools and supplies	500	500	38	462
Communications	700	700	491	209
Employee training	3,426	3,426	3,426	-
Property and casualty insurance	3,000	3,000	3,000	-
Accident and sickness insurance	4,100	4,100	4,020	80
Postage	147	147	41	106
Telephone	750	750	1,179	(429)
Utilities	1,000	1,000	443	557
Heating and gas	2,500	2,500	2,036	464
Principal - NMFA	11,965	11,965	11,965	-
Total expenditures	<u>43,628</u>	<u>45,813</u>	<u>35,508</u>	<u>10,305</u>
Excess (deficiency) revenues over expenditures	<u>805</u>	<u>(9)</u>	<u>9,991</u>	<u>10,000</u>
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	<u>805</u>	<u>(9)</u>	<u>9,991</u>	<u>10,000</u>
Budgeted cash balance, beginning of year	<u>30,222</u>	<u>30,222</u>	<u>30,222</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 31,027</u>	<u>\$ 30,213</u>	<u>\$ 40,213</u>	<u>\$ 10,000</u>

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

COUNTY OF QUAY, NEW MEXICO

Jordan Fire District Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	412			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Miscellaneous:				
Reimbursements\refunds	\$ -	\$ -	\$ 59	\$ 59
Interest income	-	-	2,546	2,546
Grants:				
State:				
Fire allotment	99,885	99,885	99,885	-
Other	-	1,078	770	(308)
Manpower	-	-	308	308
Total revenues	99,885	100,963	103,568	2,605
Expenditures:				
Current:				
Mileage	323	323	-	323
Per diem	500	500	-	500
Registration	300	300	-	300
Maintenance and repair - buildings	2,500	2,500	2,106	394
Maintenance and repair - grounds	2,000	2,000	175	1,825
Maintenance and repair - equipment	6,600	6,600	3,767	2,833
State forestry equipment reimbursement	7,161	7,931	137	7,794
Forestry services reimbursement	285	593	308	285
Office supplies	1,800	1,800	682	1,118
Safety equipment	7,000	7,000	294	6,706
Uniform allowance	2,000	2,000	-	2,000
Protective clothing	6,000	6,000	1,688	4,312
Gasoline	1,400	1,400	847	553
Oil and lube	400	400	-	400
Tires, tubes, repairs	600	600	228	372
Tools and supplies	3,500	3,500	588	2,912
Communications	2,000	2,000	626	1,374
Employee training	11,109	11,109	645	10,464
Property and casualty insurance	3,000	3,000	3,000	-
Accident and sickness insurance	4,100	4,100	4,020	80
Postage	200	200	33	167
Telephone	1,000	1,000	1,364	(364)
Utilities	4,500	4,500	1,992	2,508
Heating and gas	3,000	3,000	1,038	1,962
Capital outlay - vehicles	10,380	10,380	-	10,380
Principal - NMFA	18,227	18,227	18,227	-
Total expenditures	99,885	100,963	41,765	59,198
Excess (deficiency) revenues over expenditures	-	-	61,803	61,803
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	61,803	61,803
Budgeted cash balance, beginning of year	54,075	54,075	54,075	-
Budgeted cash balance, end of year	\$ 54,075	\$ 54,075	\$ 115,878	\$ 61,803

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

COUNTY OF QUAY, NEW MEXICO

Bard-Endee Fire District Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	413			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Miscellaneous:				
Reimbursements\refunds	\$ -	\$ -	\$ 184	\$ 184
Interest income	-	-	4,850	4,850
Grants:				
State:				
Fire allotment	87,256	87,256	87,256	-
Other	261	479	-	(479)
ENMRD grant	-	5,000	5,000	-
Total revenues	<u>87,517</u>	<u>92,735</u>	<u>97,290</u>	<u>4,555</u>
Expenditures:				
Current:				
Mileage	500	500	-	500
Per diem	500	500	111	389
Registration	500	500	-	500
Maintenance and repair - buildings	2,000	2,000	37	1,963
Maintenance and repair - grounds	3,000	3,000	-	3,000
Maintenance and repair - equipment	5,000	10,000	6,113	3,887
State forestry equipment reimbursement	7,187	7,545	1,793	5,752
Forestry services reimbursement	-	121	-	121
Office supplies	400	400	157	243
Safety equipment	3,000	3,000	-	3,000
Uniform allowance	2,000	2,000	441	1,559
Protective clothing	4,699	4,699	-	4,699
Gasoline	2,500	2,500	251	2,249
Oil and lube	1,000	1,000	-	1,000
Tires, tubes, repairs	1,000	1,000	-	1,000
Tools and supplies	1,600	1,600	3,513	(1,913)
Communications	2,000	2,000	371	1,629
Employee training	7,465	7,465	6,316	1,149
Property and casualty insurance	3,000	3,000	3,000	-
Accident and sickness insurance	4,100	4,100	4,020	80
Postage	100	100	-	100
Telephone	2,200	2,200	1,101	1,099
Utilities	2,000	2,000	1,212	788
Heating and gas	2,000	2,000	3,298	(1,298)
Other capital outlay	19,331	19,331	10,634	8,697
Capital outlay - vehicles	100,000	100,000	100,000	-
Principal - NMFA	10,174	10,174	10,174	-
Total expenditures	<u>187,256</u>	<u>192,735</u>	<u>152,542</u>	<u>40,193</u>
Excess (deficiency) revenues over expenditures	<u>(99,739)</u>	<u>(100,000)</u>	<u>(55,252)</u>	<u>44,748</u>
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	<u>(99,739)</u>	<u>(100,000)</u>	<u>(55,252)</u>	<u>44,748</u>
Budgeted cash balance, beginning of year	<u>169,318</u>	<u>169,318</u>	<u>169,318</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 69,579</u>	<u>\$ 69,318</u>	<u>\$ 114,066</u>	<u>\$ 44,748</u>

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

COUNTY OF QUAY, NEW MEXICO

EMS Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

414

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Grants:				
State:				
EMS Funds	\$ 16,000	\$ 16,000	\$ 16,000	\$ -
Total revenues	16,000	16,000	16,000	-
Expenditures:				
Current:				
Safety equipment	-	-	20,514	(20,514)
Capital outlay	16,000	20,715	-	20,715
Total expenditures	16,000	20,715	20,514	201
Excess (deficiency) revenues over expenditures	-	(4,715)	(4,514)	201
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Sale of county property				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	(4,715)	(4,514)	201
Budgeted cash balance, beginning of year	4,772	4,772	4,772	-
Budgeted cash balance, end of year	\$ 4,772	\$ 57	\$ 258	\$ 201

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

COUNTY OF QUAY, NEW MEXICO

Quay Fire District Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

415

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Miscellaneous:				
Reimbursements\refunds	\$ -	\$ -	\$ 8	\$ 8
Interest income	-	-	1,608	1,608
Grants:				
State:				
Fire allotment	43,628	43,628	43,628	-
Other	-	142	-	(142)
Manpower	-	-	-	-
Total revenues	<u>43,628</u>	<u>43,770</u>	<u>45,244</u>	<u>1,474</u>
Expenditures:				
Current:				
Maintenance and repair - buildings	1,500	1,500	64	1,436
Maintenance and repair - equipment	2,000	2,000	1,552	448
State forestry equipment reimbursement	3,795	3,915	-	3,915
Forestry services reimbursement	116	138	-	138
Office supplies	400	400	76	324
Safety equipment	1,238	1,238	-	1,238
Uniform allowance	500	500	-	500
Gasoline	1,672	1,672	704	968
Communications	-	-	2,745	(2,745)
Employee training	6,165	6,165	-	6,165
Property and casualty insurance	3,000	3,000	3,000	-
Accident and sickness insurance	4,032	4,032	4,020	12
Telephone	500	500	440	60
Utilities	4,000	4,000	2,973	1,027
Capital outlay - vehicles	12,840	12,840	-	12,840
Principal - NMFA	1,870	1,870	1,870	-
Total expenditures	<u>43,628</u>	<u>43,770</u>	<u>17,444</u>	<u>26,326</u>
Excess (deficiency) revenues over expenditures	<u>-</u>	<u>-</u>	<u>27,800</u>	<u>27,800</u>
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	<u>-</u>	<u>-</u>	<u>27,800</u>	<u>27,800</u>
Budgeted cash balance, beginning of year	<u>38,961</u>	<u>38,961</u>	<u>38,961</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 38,961</u>	<u>\$ 38,961</u>	<u>\$ 66,761</u>	<u>\$ 27,800</u>

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

COUNTY OF QUAY, NEW MEXICO

Bard-Endee FEMA Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

417

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Grants:				
State:				
CWPP Grant	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Total revenues	30,000	30,000	30,000	-
Expenditures:				
Current:				
Contractual services	30,000	30,000	19,800	10,200
Total expenditures	30,000	30,000	19,800	10,200
Excess (deficiency) revenues over expenditures	-	-	10,200	10,200
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Sale of county property				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	10,200	10,200
Budgeted cash balance, beginning of year	-	-	-	-
Budgeted cash balance, end of year	\$ -	\$ -	\$ 10,200	\$ 10,200

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

COUNTY OF QUAY, NEW MEXICO

Porter Fire District Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	418			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Miscellaneous:				
Reimbursements\refunds	\$ -	\$ -	\$ 50	\$ 50
Interest income	-	-	999	999
Grants:				
State:				
Fire allotment	43,628	43,628	43,628	-
Other	-	135	135	-
Manpower	-	66	66	-
Total revenues	<u>43,628</u>	<u>43,829</u>	<u>44,878</u>	<u>1,049</u>
Expenditures:				
Current:				
Mileage	1,000	1,000	(593)	1,593
Per diem	2,000	2,000	(959)	2,959
Registration	600	600	-	600
Maintenance and repair - buildings	750	750	5,094	(4,344)
Maintenance and repair - grounds	700	700	140	560
Maintenance and repair - equipment	3,500	3,500	5,090	(1,590)
State forestry equipment reimbursement	-	135	-	135
Forestry services reimbursement	-	66	-	66
Office supplies	1,500	1,500	104	1,396
Safety equipment	5,000	5,000	913	4,087
Protective clothing	5,000	5,000	-	5,000
Gasoline	2,500	2,500	1,712	788
Oil and lube	250	250	-	250
Tires, tubes, repairs	1,300	1,300	1,720	(420)
Tools and supplies	1,500	1,500	790	710
Communications	1,500	1,500	304	1,196
Employee training	2,855	2,855	-	2,855
Property and casualty insurance	2,500	2,500	2,500	-
Accident and sickness insurance	4,020	4,020	4,020	-
Postage	250	250	38	212
Telephone	1,100	1,100	362	738
Utilities	1,203	1,203	799	404
Heating and gas	2,000	2,000	518	1,482
Capital outlay - buildings	100	100	-	100
Capital outlay - vehicles	2,500	2,500	-	2,500
Total expenditures	<u>43,628</u>	<u>43,829</u>	<u>22,552</u>	<u>21,277</u>
Excess (deficiency) revenues over expenditures	<u>-</u>	<u>-</u>	<u>22,326</u>	<u>22,326</u>
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	<u>-</u>	<u>-</u>	<u>22,326</u>	<u>22,326</u>
Budgeted cash balance, beginning of year	<u>8,165</u>	<u>8,165</u>	<u>8,165</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 8,165</u>	<u>\$ 8,165</u>	<u>\$ 30,491</u>	<u>\$ 22,326</u>

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

COUNTY OF QUAY, NEW MEXICO

Porter FEMA Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

419

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Grants:				
State:				
FEMA	\$ 28,262	\$ -	\$ -	\$ -
Total revenues	28,262	-	-	-
Expenditures:				
Current:				
Contractual services	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) revenues over expenditures	28,262	-	-	-
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Sale of county property				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	28,262	-	-	-
Budgeted cash balance, beginning of year	28,262	28,262	28,262	-
Budgeted cash balance, end of year	\$ 56,524	\$ 28,262	\$ 28,262	\$ -

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

COUNTY OF QUAY, NEW MEXICO

Quay County Fire Marshal Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	420			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Miscellaneous:				
Interest income	\$ -	\$ -	\$ 791	\$ 791
Grants:				
State:				
Fire allotment	58,551	58,551	58,551	-
Total revenues	58,551	58,551	59,342	791
Expenditures:				
Current:				
Mileage	-	-	-	-
Per diem	1,000	1,000	480	520
Registration	1,000	1,000	195	805
Maintenance and repair - equipment	1,000	1,000	1,244	(244)
Office supplies	2,000	2,000	1,692	308
Safety equipment	8,000	8,000	29,968	(21,968)
Uniform allowance	200	200	146	54
Protective clothing	1,500	1,500	1,500	-
Gasoline	3,000	3,000	2,516	484
Oil and lube	600	600	240	360
Tires, tubes, repairs	800	800	-	800
Tools and supplies	400	400	515	(115)
Communications	1,750	1,750	949	801
Employee training	-	5,000	1,573	3,427
Property and casualty insurance	250	250	-	250
Accident and sickness insurance	600	600	-	600
Postage	350	350	-	350
Telephone	1,350	1,350	1,061	289
Utilities	1,500	1,500	-	1,500
Heating and gas	750	750	-	750
Capital outlay - vehicles	19,451	14,451	-	14,451
Total expenditures	45,501	45,501	42,079	3,422
Excess (deficiency) revenues over expenditures	13,050	13,050	17,263	4,213
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)	(13,050)	(13,050)	(13,050)	-
Total other financing sources (uses)	(13,050)	(13,050)	(13,050)	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	4,213	4,213
Budgeted cash balance, beginning of year	349	349	349	-
Budgeted cash balance, end of year	\$ 349	\$ 349	\$ 4,562	\$ 4,213

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

COUNTY OF QUAY, NEW MEXICO

Highway Beautification Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
	\$ -	\$ -	\$ -	\$ -
Total revenues	-	\$ -	-	-
Expenditures:				
Current:				
Total expenditures	-	\$ -	-	-
Excess (deficiency) revenues over expenditures	-	\$ -	-	-
Budgeted cash balance, beginning of year	1,257	1,257	1,257	-
Budgeted cash balance, end of year	<u>\$ 1,257</u>	<u>\$ 1,257</u>	<u>\$ 1,257</u>	<u>\$ -</u>

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

COUNTY OF QUAY, NEW MEXICO

Reappraisal Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	499			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenue:				
Taxes - local effort:				
Property	\$ 29,000	\$ 29,000	\$ 30,735	\$ 1,735
Charges for services:				
Sales - assessor maps	-	-	1,092	1,092
Total revenues	<u>29,000</u>	<u>29,000</u>	<u>31,827</u>	<u>2,827</u>
Expenditures:				
Current:				
Full-time salaries	18,425	18,425	18,882	457
FICA - Social Security	1,142	1,142	1,142	-
FICA - Medicare	267	267	267	-
P.E.R.A.	1,686	1,686	1,673	(13)
Health/life/disability insurance	104	104	104	-
Workers Comp (Assessment)	10	10	9	(1)
Maintenance and repair - equipment	200	200	22	(178)
Gasoline	1,000	1,000	728	(272)
GIS mapping	1,166	1,166	-	1,166
Printing and publishing	5,000	5,000	5,470	470
Total expenditures	<u>29,000</u>	<u>29,000</u>	<u>28,297</u>	<u>703</u>
Excess (deficiency) revenues over expenditures	<u>-</u>	<u>-</u>	<u>3,530</u>	<u>3,530</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	<u>-</u>	<u>-</u>	<u>3,530</u>	<u>3,530</u>
Budgeted cash balance, beginning of year	<u>871</u>	<u>871</u>	<u>871</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 871</u>	<u>\$ 871</u>	<u>\$ 4,401</u>	<u>\$ 3,530</u>

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

COUNTY OF QUAY, NEW MEXICO

Hospital Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	501			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Taxes - local effort:				
Property - current	\$ 157,377	\$ 157,377	\$ 161,605	\$ 4,228
Property - delinquent	15,000	15,000	16,887	1,887
Oil and gas	5,000	5,000	6,012	1,012
Governmental - gross receipts - county	156,218	156,218	378,323	222,105
Governmental - gross receipts - local county	-	200,000	217,071	17,071
Total taxes - local effort	<u>333,595</u>	<u>533,595</u>	<u>779,898</u>	<u>246,303</u>
Total revenues	<u>333,595</u>	<u>533,595</u>	<u>779,898</u>	<u>246,303</u>
Expenditures:				
Current:				
Professional services	<u>333,595</u>	<u>508,595</u>	<u>436,002</u>	<u>72,593</u>
Total expenditures	<u>333,595</u>	<u>508,595</u>	<u>436,002</u>	<u>72,593</u>
Excess (deficiency) revenues over expenditures	<u>-</u>	<u>25,000</u>	<u>343,896</u>	<u>318,896</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources over expenditures and other financing (uses)	<u>-</u>	<u>-</u>	<u>318,896</u>	<u>318,896</u>
Budgeted cash balance, beginning of year	<u>296,504</u>	<u>296,504</u>	<u>296,504</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 296,504</u>	<u>\$ 296,504</u>	<u>\$ 615,400</u>	<u>\$ 318,896</u>

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

COUNTY OF QUAY, NEW MEXICO

Rural Addressing Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	503			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenue:				
Charges for services:				
Sale of maps	\$ 300	\$ 300	\$ 225	\$ (75)
Total revenues	300	300	225	(75)
Expenditures:				
Current:				
Part-time salaries	7,000	7,000	4,805	(2,195)
FICA - Social Security	434	434	-	(434)
FICA - Medicare	102	102	-	(102)
P.E.R.A.	623	623	-	(623)
Workers Comp (Assessment)	10	10	-	(10)
Mileage	400	400	55	(345)
Per diem	400	400	405	5
Registration	400	400	25	(375)
Maintenance and repair - equipment	400	400	4	(396)
Professional services	500	500	420	(80)
Office supplies	600	600	-	(600)
Sign supplies	2,500	2,500	1,942	(558)
Employee training	100	100	-	(100)
Membership dues	50	50	-	50
Total expenditures	13,519	13,519	7,656	5,863
Excess (deficiency) revenues over expenditures	(13,219)	(13,219)	(7,431)	5,788
Other financing sources (uses):				
Operating transfers in	13,219	13,219	13,219	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	13,219	13,219	13,219	-
Excess (deficiency) revenues and other financing sources over expenditures and other financing (uses)	-	-	5,788	5,788
Budgeted cash balance, beginning of year	48,772	48,772	48,772	-
Budgeted cash balance, end of year	<u>\$ 48,772</u>	<u>\$ 48,772</u>	<u>\$ 54,560</u>	<u>\$ 5,788</u>

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

COUNTY OF QUAY, NEW MEXICO

ASAP - Other Charges - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	516			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenue:				
Miscellaneous:				
Contributions and donations	\$ 45,361	\$ 45,361	\$ 12,293	\$ (33,068)
Total revenues	45,361	45,361	12,293	(33,068)
Expenditures:				
Current:				
Full-time salaries	8,320	8,320	4,323	(3,997)
Part-time salaries	1,664	1,664	-	(1,664)
FICA - Social Security	362	362	228	(134)
FICA - Medicare	85	85	53	(32)
P.E.R.A.	533	533	392	(141)
Health/Life/Disability insurance	1,477	1,477	776	(701)
Workers Comp (Assessment)	20	20	1	(19)
Mileage	5,000	5,000	881	(4,119)
Per diem	5,000	5,000	1,755	(3,245)
Maintenance and repair - equipment	300	300	-	(300)
Other maintenance	300	300	53	(247)
Other contractual expense	3,000	3,000	-	(3,000)
Office supplies	5,000	5,000	346	(4,654)
Non-capital furniture, fixtures and equipment	1,000	1,000	-	(1,000)
Janitor supplies	100	100	-	(100)
Other supplies	5,000	5,000	-	(5,000)
Equipment	400	400	-	(400)
Postage	300	300	84	(216)
Employee training	1,000	1,000	-	(1,000)
Printing and publishing	500	500	-	(500)
Membership dues	1,000	1,000	-	1,000
Miscellaneous	5,000	5,000	8,034	(3,034)
Total expenditures	45,361	45,361	16,926	28,435
Excess (deficiency) revenues over expenditures	-	-	(4,633)	(4,633)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources over expenditures and other financing (uses)	-	-	(4,633)	(4,633)
Budgeted cash balance, beginning of year	6,586	6,586	6,586	-
Budgeted cash balance, end of year	\$ 6,586	\$ 6,586	\$ 1,953	\$ (4,633)

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

COUNTY OF QUAY, NEW MEXICO

Tucumcari Domestic Violence - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	520			Variance with Final Budget
	Budgeted Amounts		Actual Amounts	
	Original	Final		
Revenue:				
Miscellaneous:				
Contributions and donations	\$ -	\$ 9,390	\$ 11,035	\$ 1,645
Total revenues	-	9,390	11,035	1,645
Expenditures:				
Current:				
Office supplies	-	-	466	466
Employee training	-	4,000	-	(4,000)
Miscellaneous	-	5,390	-	(5,390)
Equipment	-	-	899	(899)
Total expenditures	-	9,390	1,365	8,025
Excess (deficiency) revenues over expenditures	-	-	9,670	9,670
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources over expenditures and other financing (uses)	-	-	9,670	9,670
Budgeted cash balance, beginning of year	-	-	-	-
Budgeted cash balance, end of year	\$ -	\$ -	\$ 9,670	\$ 9,670

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

COUNTY OF QUAY, NEW MEXICO

Seizure Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
	\$ -	\$ -	\$ -	\$ -
Total revenues	-	\$ -	-	-
Expenditures:				
Current:				
Total expenditures	-	\$ -	-	-
Excess (deficiency) revenues over expenditures	-	\$ -	-	-
Budgeted cash balance, beginning of year	6,736	6,736	6,736	-
Budgeted cash balance, end of year	<u>\$ 6,736</u>	<u>\$ 6,736</u>	<u>\$ 6,736</u>	<u>\$ -</u>

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

COUNTY OF QUAY, NEW MEXICO

Drug Enforcement Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	603			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenue:				
Miscellaneous:				
Reimbursements/refunds	\$ -	\$ -	\$ 2,584	\$ 2,584
Investment income	-	-	2,643	2,643
Total revenues	-	-	5,227	5,227
Expenditures:				
Current:				
Office supplies	1,500	1,500	417	(1,083)
Safety equipment	2,000	2,000	1,644	(356)
Guns and ammunition	4,400	4,400	2,398	(2,002)
Miscellaneous supplies	2,500	2,500	636	(1,864)
Employee training	10,000	10,000	6,974	(3,026)
Telephone	1,500	1,500	-	1,500
Equipment and machinery	1,500	1,500	1,223	277
Vehicles	1,600	1,600	420	1,180
Total expenditures	25,000	25,000	13,712	11,288
Excess (deficiency) revenues over expenditures	(25,000)	(25,000)	(8,485)	16,515
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	(25,000)	(25,000)	(8,485)	16,515
Budgeted cash balance, beginning of year	33,841	33,841	33,841	-
Budgeted cash balance, end of year	\$ 8,841	\$ 8,841	\$ 25,356	\$ 16,515

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

COUNTY OF QUAY, NEW MEXICO

Law Enforcement Protection Fund - Special Revenue Fund
 Schedule of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	607			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenue:				
State grants:				
Law Enforcement Fund	\$ 23,600	\$ 23,600	\$ 23,600	\$ -
State - other				
Miscellaneous:				
Investment income	-	-	1,117	1,117
Capital outlay - County improvements	23,600	23,600	24,717	1,117
Expenditures:				
Current:				
Supplies	-	-	3,859	(3,859)
Miscellaneous	-	-	135	(135)
Equipment	-	-	562	(562)
Capital outlay - vehicles	23,600	23,600	46,585	(22,985)
Total expenditures	23,600	23,600	51,141	(27,541)
Excess (deficiency) revenues over expenditures	-	-	(26,424)	(26,424)
Other financing sources (uses):				
Operating transfers in				-
Operating transfers (out)	-	(7,390)	(7,390)	-
Total other financing sources (uses)	-	(7,390)	(7,390)	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	(7,390)	(33,814)	(26,424)
Budgeted cash balance, beginning of year	10,869	10,869	10,869	-
Budgeted cash balance, end of year	\$ 10,869	\$ 3,479	\$ (22,945)	\$ (26,424)

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

COUNTY OF QUAY, NEW MEXICO

Law Enforcement JAG Grant Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	608			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Grants:				
Federal:				
LLEBG	\$ -	\$ 5,904	\$ 5,904	\$ -
Total revenues	-	5,904	5,904	-
Expenditures:				
Current:				
Safety equipment	-	5,904	-	5,904
Total expenditures	-	5,904	-	5,904
Excess (deficiency) revenues over expenditures	-	-	5,904	5,904
Other financing sources (uses):				
Operating transfers in				
Operating transfers (out)				
Sale of county property				
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	5,904	5,904
Budgeted cash balance, beginning of year	-	-	-	-
Budgeted cash balance, end of year	\$ -	\$ -	\$ 5,904	\$ 5,904

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

COUNTY OF QUAY, NEW MEXICO

Juvenile Detention Officer Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	610			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Housing of juveniles	34,280	59,280	45,152	14,128
Total expenditures	34,280	59,280	45,152	14,128
Excess (deficiency) revenues over expenditures	(34,280)	(59,280)	(45,152)	14,128
Other financing sources (uses):				
Operating transfers in	34,280	59,280	59,280	
Operating transfers (out)				
Total other financing sources (uses)	34,280	59,280	59,280	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	14,128	14,128
Budgeted cash balance, beginning of year	323	323	323	-
Budgeted cash balance, end of year	\$ 323	\$ 323	\$ 14,451	\$ 14,128

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

COUNTY OF QUAY, NEW MEXICO

Primary Care Clinic Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	613			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenue:				
Miscellaneous:				
Rent specialty clinics	\$ -	\$ -	\$ 800	\$ 800
Insurance recoveries	-	8,298	-	(8,298)
State:				
Grants:				
Rural Primary Health Care Act	145,200	145,200	144,200	(1,000)
Total revenues	<u>145,200</u>	<u>153,498</u>	<u>145,000</u>	<u>(8,498)</u>
Expenditures:				
Current:				
Maintenance and repairs - buildings	10,000	26,018	17,781	8,237
Contractual services	<u>135,200</u>	<u>135,200</u>	<u>126,194</u>	<u>9,006</u>
Total expenditures	<u>145,200</u>	<u>161,218</u>	<u>143,975</u>	<u>17,243</u>
Excess (deficiency) revenues over expenditures	<u>-</u>	<u>(7,720)</u>	<u>1,025</u>	<u>8,745</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	<u>-</u>	<u>(7,720)</u>	<u>1,025</u>	<u>8,745</u>
Budgeted cash balance, beginning of year	<u>65,220</u>	<u>65,220</u>	<u>65,220</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 65,220</u>	<u>\$ 57,500</u>	<u>\$ 66,245</u>	<u>\$ 8,745</u>

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

COUNTY OF QUAY, NEW MEXICO

Clerk Equipment Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	621			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Charges for services				
Clerk fee	\$ 9,000	\$ 9,000	\$ 8,369	\$ (631)
Miscellaneous:				
Investment income	-	-	3,128	3,128
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>11,497</u>	<u>2,497</u>
Expenditures:				
Current:				
Maintenance and repair - equipment	4,000	4,000	-	4,000
Furniture and fixtures	2,000	2,000	-	2,000
Lease purchase - voting machine	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>11,000</u>	<u>11,000</u>	<u>-</u>	<u>11,000</u>
Excess (deficiency) revenues over expenditures	<u>(2,000)</u>	<u>(2,000)</u>	<u>11,497</u>	<u>13,497</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	(2,000)	(2,000)	11,497	13,497
Budgeted cash balance, beginning of year	<u>35,756</u>	<u>35,756</u>	<u>35,756</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 33,756</u>	<u>\$ 33,756</u>	<u>\$ 47,253</u>	<u>\$ 13,497</u>

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

COUNTY OF QUAY, NEW MEXICO

DWI Distribution Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	622			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenue:				
State:				
Grant:				
Distribution	\$ 68,803	\$ 65,031	\$ 65,031	\$ -
Miscellaneous:				
Reimbursements\refunds	-	-	179	179
Total revenues	<u>68,803</u>	<u>65,031</u>	<u>65,210</u>	<u>179</u>
Expenditures:				
Current:				
Contractual	68,803	68,575	47,448	21,127
Reimbursements\refund	-	16,128	16,128	-
Telephone	-	-	300	(300)
Minor equipment	-	4,000	3,566	434
Total expenditures	<u>68,803</u>	<u>88,703</u>	<u>67,442</u>	<u>21,261</u>
Excess (deficiency) revenues over expenditures	<u>-</u>	<u>(23,672)</u>	<u>(2,232)</u>	<u>21,440</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	<u>-</u>	<u>(23,672)</u>	<u>(2,232)</u>	<u>21,440</u>
Budgeted cash balance, beginning of year	<u>16,022</u>	<u>16,022</u>	<u>16,022</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 16,022</u>	<u>\$ (7,650)</u>	<u>\$ 13,790</u>	<u>\$ 21,440</u>

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

COUNTY OF QUAY, NEW MEXICO

Environmental Gross Receipts Tax Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	623			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Taxes - local effort:				
Gross receipts tax	\$ 25,000	\$ 25,000	\$ 53,489	\$ 28,489
Total revenues	25,000	25,000	53,489	28,489
Expenditures:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) revenues over expenditures	25,000	25,000	53,489	28,489
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	(80,000)	(80,000)	-	(80,000)
Total other financing sources (uses)	(80,000)	(80,000)	-	(80,000)
Excess (deficiency) revenues and other financing sources (uses) over expenditures	(55,000)	(55,000)	53,489	108,489
Budgeted cash balance, beginning of year	62,218	62,218	62,218	-
Budgeted cash balance, end of year	\$ 7,218	\$ 7,218	\$ 115,707	\$ 108,489

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

COUNTY OF QUAY, NEW MEXICO

DWI Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	624			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenue:				
State:				
Grant:				
DWI	\$ -	\$ 36,362	\$ 36,362	\$ -
Miscellaneous:				
Reimbursements\refunds	-	68	68	-
Total revenues	-	36,430	36,430	-
Expenditures:				
Current:				
Full-time salaries	-	5,309	2,654	2,655
FICA - Social Security	-	309	309	-
FICA - Medicare	-	72	72	-
P.E.R.A.	-	58	58	-
Health/life/disability insurance	-	120	120	-
Contractual	-	19,395	19,395	-
Reimbursements\refund	-	12,328	12,328	-
Office supplies	-	1,280	1,282	(2)
Miscellaneous supplies	-	1,621	1,621	-
Lease land	-	500	500	-
Telephone	-	126	126	-
Electricity	-	58	58	-
Heating and gas	-	71	71	-
Water	-	139	139	-
Total expenditures	-	41,386	38,733	2,653
Excess (deficiency) revenues over expenditures	-	(4,956)	(2,303)	2,653
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	(4,956)	(2,303)	2,653
Budgeted cash balance, beginning of year	4,958	4,958	4,958	-
Budgeted cash balance, end of year	\$ 4,958	\$ 2	\$ 2,655	\$ 2,653

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

COUNTY OF QUAY, NEW MEXICO

ASAP Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	626			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenue:				
Grants:				
State:				
ASAP	\$ 75,000	\$ 81,700	\$ 87,950	\$ 6,250
Total revenues	75,000	81,700	87,950	6,250
Expenditures:				
Current:				
Full-time salaries	20,800	20,800	28,425	(7,625)
Part-time salaries	4,992	4,992	3,235	1,757
FICA - Social Security	1,600	1,600	1,688	(88)
FICA - Medicare	374	374	395	(21)
P.E.R.A.	2,512	2,512	3,046	(534)
Health/life/disability insurance	8,220	8,220	4,935	3,285
Workers Comp (Assessment)	20	20	9	11
Mileage	2,296	2,296	2,842	(546)
Per diem	2,405	2,405	1,579	826
Maintenance and repair - buildings	400	400	404	(4)
Maintenance and repair - equipment	500	500	602	(102)
Professional services	11,250	11,250	6,975	4,275
Administrative fee	7,671	7,671	7,671	-
Contractual services	4,000	4,000	2,000	2,000
Other contractual expense	2,000	2,000	682	1,318
Office supplies	1,500	1,500	1,402	98
Janitor supplies	100	100	101	(1)
Miscellaneous supplies	1,302	1,302	683	619
Communications	780	780	710	70
Employee training	1,500	1,500	-	1,500
Postage	278	278	395	(117)
Printing and publishing	200	200	205	(5)
Rent of land/building	1,500	1,500	2,500	(1,000)
Telephone and telegraph	1,500	1,500	1,071	429
Utilities	3,000	3,000	3,558	(558)
Miscellaneous stipends	1,000	1,000	1,412	(412)
Total expenditures	81,700	81,700	76,525	5,175
Excess (deficiency) revenues over expenditures	(6,700)	-	11,425	(11,425)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	(6,700)	-	11,425	(11,425)
Budgeted cash balance, beginning of year	8,434	8,434	8,434	-
Budgeted cash balance, end of year	\$ 1,734	\$ 8,434	\$ 19,859	\$ 11,425

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

COUNTY OF QUAY, NEW MEXICO

Magistrate Court Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	628			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenue:				
Fines and forfeits:				
U.A. fees	\$ 12,000	\$ 12,000	\$ 3,787	\$ (8,213)
Probation fees	18,200	18,200	9,648	(8,552)
Total revenues	<u>30,200</u>	<u>30,200</u>	<u>13,435</u>	<u>(16,765)</u>
Expenditures:				
Current:				
Contractual services - U.A. fees	15,100	15,100	336	14,764
Contractual services	15,100	15,100	12,212	2,888
Total expenditures	<u>30,200</u>	<u>30,200</u>	<u>12,548</u>	<u>17,652</u>
Excess (deficiency) revenues over expenditures	<u>-</u>	<u>-</u>	<u>887</u>	<u>887</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	887	887
Budgeted cash balance, beginning of year	<u>13,472</u>	<u>13,472</u>	<u>13,472</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 13,472</u>	<u>\$ 13,472</u>	<u>\$ 14,359</u>	<u>\$ 887</u>

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

COUNTY OF QUAY, NEW MEXICO

TUPAC Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	630			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Grants:				
State:				
TUPAC	\$ 40,983	\$ 40,983	\$ 41,333	\$ 350
Total revenues	40,983	40,983	41,333	350
Expenditures:				
Current:				
Full-time salaries	12,480	12,480	16,660	(4,180)
Part-time salaries	4,992	4,992	2,432	2,560
FICA - Social Security	1,084	1,084	1,061	23
FICA - Medicare	253	253	248	5
P.E.R.A.	1,751	1,751	1,903	(152)
Health/life/disability insurance	5,964	5,964	2,967	2,997
Workers Comp (Assessment)	3	3	6	(3)
Mileage	880	880	1,225	(345)
Per diem	1,080	1,080	1,534	(454)
Professional services	2,500	2,500	1,604	896
Contractual services	1,000	1,000	530	470
Office supplies	1,000	1,000	2,280	(1,280)
Janitor supplies	50	50	(3)	53
Miscellaneous supplies	100	100	-	100
Communications	387	387	65	322
Employee training	500	500	380	120
Postage	200	200	77	123
Property tax administrative fee	1,759	1,759	-	1,759
Rent of land\building	1,500	1,500	500	1,000
Telephone and telegraph	1,000	1,000	264	736
Utilities	2,000	2,000	516	1,484
Miscellaneous	500	500	2,361	(1,861)
Total expenditures	40,983	40,983	36,610	4,373
Excess (deficiency) revenues over expenditures	-	-	4,723	(4,723)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	4,723	(4,723)
Budgeted cash balance, beginning of year	10,888	10,888	10,888	-
Budgeted cash balance, end of year	\$ 10,888	\$ 10,888	\$ 15,611	\$ 4,723

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

COUNTY OF QUAY, NEW MEXICO

DWI Probation Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	631			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenue:				
Fines and forfeits:				
U.A. fees	\$ -	\$ -	\$ 11	\$ 11
Probation fees	18,000	18,000	18,291	291
Total revenues	18,000	18,000	18,302	302
Expenditures:				
Current:				
Registration	-	-	250	(250)
Car expense	-	-	69	(69)
Maintenance and repair - equipment	700	700	211	489
Office supplies	-	-	43	(43)
Other supplies - copier	650	650	42	608
Postage	-	-	453	(453)
Printing and publishing	2,000	2,000	245	1,755
Lease - land	6,000	6,000	4,500	1,500
Telephone and telegraph	-	-	1,844	(1,844)
Utilities	7,200	7,200	1,371	5,829
Heating and gas	1,450	1,450	696	754
Water	-	-	70	(70)
Contractual service	-	23,702	23,702	-
Total expenditures	18,000	41,702	33,496	8,206
Excess (deficiency) revenues over expenditures	-	(23,702)	(15,194)	8,508
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	(23,702)	(15,194)	8,508
Budgeted cash balance, beginning of year	19,811	19,811	19,811	-
Budgeted cash balance, end of year	\$ 19,811	\$ (3,891)	\$ 4,617	\$ 8,508

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

COUNTY OF QUAY, NEW MEXICO

DWI Screening Fee Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	632			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenue:				
Miscellaneous:				
Screening assessment	\$ 4,200	\$ 4,200	\$ 3,550	\$ (650)
Total revenues	4,200	4,200	3,550	(650)
Expenditures:				
Current:				
Maintenance and repair - equipment	1,200	1,200	40	1,160
Contractual services	3,000	10,000	8,670	1,330
Total expenditures	4,200	11,200	8,710	2,490
Excess (deficiency) revenues over expenditures	-	(7,000)	(5,160)	1,840
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	(7,000)	(5,160)	1,840
Budgeted cash balance, beginning of year	7,126	7,126	7,126	-
Budgeted cash balance, end of year	\$ 7,126	\$ 126	\$ 1,966	\$ 1,840

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

COUNTY OF QUAY, NEW MEXICO

DWI Treatment Fee Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	633			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
Miscellaneous:				
DWI treatment	\$ 2,400	\$ 2,400	\$ 60	\$ (2,340)
Total revenues	2,400	2,400	60	(2,340)
Expenditures:				
Current:				
Maintenance and repair - equipment	1,000	1,000	-	1,000
Treatment supplies	300	300	-	300
Contractual services	1,100	1,100	825	275
Total expenditures	2,400	2,400	825	1,575
Excess (deficiency) revenues over expenditures	-	-	(765)	(765)
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	(765)	(765)
Budgeted cash balance, beginning of year	4,457	4,457	4,457	-
Budgeted cash balance, end of year	<u>\$ 4,457</u>	<u>\$ 4,457</u>	<u>\$ 3,692</u>	<u>\$ (765)</u>

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

COUNTY OF QUAY, NEW MEXICO

DWI U.A. Fee Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	634			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenue:				
Miscellaneous:				
U.A. fees	\$ 6,088	\$ 6,088	\$ 5,191	\$ (897)
Total revenues	6,088	6,088	5,191	(897)
Expenditures:				
Current:				
Miscellaneous	6,088	6,088	1,219	4,869
Total expenditures	6,088	6,088	1,219	4,869
Excess (deficiency) revenues over expenditures	-	-	3,972	3,972
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	3,972	3,972
Budgeted cash balance, beginning of year	6,278	6,278	6,278	-
Budgeted cash balance, end of year	\$ 6,278	\$ 6,278	\$ 10,250	\$ 3,972

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

COUNTY OF QUAY, NEW MEXICO

Nara Visa Senior Center Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	639			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenue:				
State:				
Grant:				
State:	\$ 30,000	\$ 30,000	\$ 16,305	\$ (13,695)
Total revenues	30,000	30,000	16,305	(13,695)
Expenditures:				
Current:				
Contractual services	30,000	30,000	16,305	13,695
Total expenditures	30,000	30,000	16,305	13,695
Excess (deficiency) revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	-	-
Budgeted cash balance, beginning of year	-	-	-	-
Budgeted cash balance, end of year	\$ -	\$ -	\$ -	\$ -

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

COUNTY OF QUAY, NEW MEXICO

Capital Improvements Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	649			
	Budgeted Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
Revenue:				
	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures:				
Current:				
Capital outlay - County Improvements	270,000	270,000	-	270,000
Total expenditures	270,000	270,000	-	270,000
Excess (deficiency) revenues over expenditures	(270,000)	(270,000)	-	270,000
Other financing sources (uses):				
Operating transfers in	270,000	270,000	270,000	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	270,000	270,000	270,000	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	270,000	270,000
Budgeted cash balance, beginning of year	-	-	-	-
Budgeted cash balance, end of year	\$ -	\$ -	\$ 270,000	\$ 270,000

The accompanying notes are an integral part of these financial statements

COUNTY OF QUAY, NEW MEXICO

Road Equipment Fund - Special Revenue Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	650			
	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
Revenue:				
Miscellaneous:				
Investment income	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
State:				
Grant:				
Emergency disaster\homeland security	-	-	101,527	101,527
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>101,527</u>	<u>81,527</u>
Expenditures:				
Current:				
Capital outlay - equipment	<u>256,000</u>	<u>256,000</u>	-	<u>256,000</u>
Total expenditures	<u>256,000</u>	<u>256,000</u>	-	<u>256,000</u>
Excess (deficiency) revenues over expenditures	<u>(236,000)</u>	<u>(236,000)</u>	<u>101,527</u>	<u>337,527</u>
Other financing sources (uses):				
Operating transfers in	(20,000)	(20,000)	20,000	(40,000)
Operating transfers (out)	<u>-</u>	<u>(256,000)</u>	<u>(256,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(20,000)</u>	<u>(276,000)</u>	<u>(236,000)</u>	<u>(40,000)</u>
Excess (deficiency) revenues and other financing sources (uses) over expenditures	(256,000)	(512,000)	(134,473)	377,527
Budgeted cash balance, beginning of year	<u>306,119</u>	<u>306,119</u>	<u>306,119</u>	<u>-</u>
Budgeted cash balance, end of year	<u>\$ 50,119</u>	<u>\$ (205,881)</u>	<u>\$ 171,646</u>	<u>\$ 377,527</u>

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

COUNTY OF QUAY, NEW MEXICO

CDBG - Quay County Hospital Roof Fund - Capital Projects Fund
 Statement of Revenue, Expenditures and Changes in Budgetary Cash -
 Budget and Actual
 For the year ended June 30, 2008

	655			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenue:				
State:				
Grant:				
CDBG deposit	\$ -	\$ -	\$ 50	\$ 50
Total revenues	-	-	50	50
Expenditures:				
Current:				
Mileage	-	100	-	100
Per diem	-	350	202	148
Registration	-	150	-	150
Gasoline	-	300	50	250
Professional services	-	21,650	-	21,650
Office supplies	-	1,250	64	1,186
Postage	-	200	11	189
Printing and publishing	-	1,000	4,994	(3,994)
Total expenditures	-	25,000	5,321	19,679
Excess (deficiency) revenues over expenditures	-	(25,000)	(5,271)	19,729
Other financing sources (uses):				
Operating transfers in	-	25,000	25,000	-
Operating transfers (out)	-	-	-	-
Total other financing sources (uses)	-	25,000	25,000	-
Excess (deficiency) revenues and other financing sources (uses) over expenditures	-	-	19,729	19,729
Budgeted cash balance, beginning of year	-	-	-	-
Budgeted cash balance, end of year	\$ -	\$ -	\$ 19,729	\$ 19,729

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

SUPPLEMENTARY INFORMATION

SUPPORTING SCHEDULES

Agency Funds

Agency Funds are used to account for assets held by the County as an agent for other governments and/or other funds.

Children's Trust Fund - To account for a \$15 fee collected by the County Clerk for issuing, acknowledging and recording a marriage license and marriage certificate in accordance with Section 40-11E, NMSA 1978.

Taxes Paid in Advance - To account for the prepayment of property taxes which are not legally due, in accordance with Section 7-38-38.2, NMSA 1978.

Taxes Paid Under Protest - To account for amounts paid by taxpayers and held until their valuations protests are heard.

Cost to State - To account for costs collected for the State of New Mexico.

Overpayment of Taxes - To account for the overpayment of property taxes in accordance with Section 7-38-38B, NMSA 1978. The fund is used to account for excess property taxes paid until a refund can be made to the taxpayer.

Undistributed Taxes - To account for property taxes collected by the County Treasurer and distributed to other governmental units in accordance with Section 7-38-43, NMSA 1978.

Detention Center - To account for funds held by inmates, and to account for expenditures for supplies for sale to inmates.

COUNTY OF QUAY, NEW MEXICO
 Combining Balance Sheet
 Agency Funds
 June 30, 2008

	470	474	479	480	475
	Taxes				
	Children's Trust Fund	Paid In Advance	Cost to State	Overpayment of Taxes	Taxes Paid Under Protest
ASSETS					
Cash	\$ -	\$ 2,375	\$ -	\$ -	\$ 217,638
Shared taxes receivable	-	-	-	-	-
Total assets	\$ -	\$ 2,375	\$ -	\$ -	\$ 217,638
LIABILITIES					
Deposits held for others	\$ -	\$ 2,375	\$ -	\$ -	\$ 217,638
Due to other governmental units	-	-	-	-	-
Total liabilities	\$ -	\$ 2,375	\$ -	\$ -	\$ 217,638

760

Detention Center Trustee	Other Agency Funds	Total
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\$ 4,887	\$ -	\$ 224,900
-	3,878	3,878

<u>\$ 4,887</u>	<u>\$ 3,878</u>	<u>\$ 228,778</u>
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\$ 4,887	\$ -	\$ 224,900
-	3,878	3,878

<u>\$ 4,887</u>	<u>\$ 3,878</u>	<u>\$ 228,778</u>
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COUNTY OF QUAY, NEW MEXICO

Schedule of Changes in Assets and Liabilities
 Agency Funds
 June 30, 2008

<u>CHILDREN'S TRUST FUND</u>		Beginning of Year	Additions	Deletions	End of Year
ASSETS		Balance			Balance
Cash		\$ 150	\$ 1,125	\$ (1,275)	\$ -
Total assets		<u>\$ 150</u>	<u>\$ 1,125</u>	<u>\$ (1,275)</u>	<u>\$ -</u>
LIABILITIES					
Deposits held for others		\$ 150	\$ 1,125	\$ (1,275)	\$ -
Total liabilities		<u>\$ 150</u>	<u>\$ 1,125</u>	<u>\$ (1,275)</u>	<u>\$ -</u>
<u>TAXES PAID IN ADVANCE</u>		Beginning of Year	Additions	Deletions	End of Year
ASSETS		Balance			Balance
Cash		\$ 4,186	\$ -	\$ (1,811)	\$ 2,375
Total assets		<u>\$ 4,186</u>	<u>\$ -</u>	<u>\$ (1,811)</u>	<u>\$ 2,375</u>
LIABILITIES					
Deposits held for others		\$ 4,186	\$ -	\$ (1,811)	\$ 2,375
Total liabilities		<u>\$ 4,186</u>	<u>\$ -</u>	<u>\$ (1,811)</u>	<u>\$ 2,375</u>
<u>COST TO STATE</u>		Beginning of Year	Additions	Deletions	End of Year
ASSETS		Balance			Balance
Cash		\$ 571	\$ 16,038	\$ (16,609)	\$ -
Total assets		<u>\$ 571</u>	<u>\$ 16,038</u>	<u>\$ (16,609)</u>	<u>\$ -</u>
LIABILITIES					
Deposits held for others		\$ 571	\$ 16,038	\$ (16,609)	\$ -
Total liabilities		<u>\$ 571</u>	<u>\$ 16,038</u>	<u>\$ (16,609)</u>	<u>\$ -</u>
<u>OVERPAYMENT OF TAXES</u>		Beginning of Year	Additions	Deletions	End of Year
ASSETS		Balance			Balance
Cash		\$ 22	\$ 117	\$ (139)	\$ -
Total assets		<u>\$ 22</u>	<u>\$ 117</u>	<u>\$ (139)</u>	<u>\$ -</u>
LIABILITIES					
Deposits held for others		\$ 22	\$ 117	\$ (139)	\$ -
Total liabilities		<u>\$ 22</u>	<u>\$ 117</u>	<u>\$ (139)</u>	<u>\$ -</u>

COUNTY OF QUAY, NEW MEXICO

Schedule of Changes in Assets and Liabilities
 Agency Funds
 June 30, 2008

TAXES PAID UNDER PROTEST	Beginning of Year Balance	Additions	Deletions	End of Year Balance
ASSETS				
Cash	\$ 112,444	\$ 271,290	\$ (166,096)	\$ 217,638
Total assets	<u>\$ 112,444</u>	<u>\$ 271,290</u>	<u>\$ (166,096)</u>	<u>\$ 217,638</u>
LIABILITIES				
Deposits held for others	\$ 112,444	\$ 271,290	\$ (166,096)	\$ 217,638
Total liabilities	<u>\$ 112,444</u>	<u>\$ 271,290</u>	<u>\$ (166,096)</u>	<u>\$ 217,638</u>
DETENTION CENTER	Beginning of Year Balance	Additions	Deletions	End of Year Balance
ASSETS				
Cash	\$ 12,267	\$ 109,690	\$ (117,070)	\$ 4,887
Total assets	<u>\$ 12,267</u>	<u>\$ 109,690</u>	<u>\$ (117,070)</u>	<u>\$ 4,887</u>
LIABILITIES				
Deposits held for others	\$ 12,267	\$ 109,690	\$ (117,070)	\$ 4,887
Total liabilities	<u>\$ 12,267</u>	<u>\$ 109,690</u>	<u>\$ (117,070)</u>	<u>\$ 4,887</u>

COUNTY OF QUAY, NEW MEXICO

Schedule of Changes in Assets and Liabilities
 Agency Funds
 June 30, 2008

OTHER AGENCY FUNDS	Beginning of Year Balance	Additions	Deletions	End of Year Balance
ASSETS				
Cash - Arch Hurley Conservancy District	\$ 7,491	\$ 237,967	\$ (245,458)	\$ -
Cash - Mesalands Community College	4,808	162,998	(167,806)	-
Cash - City of Tucumcari	8,026	231,689	(239,715)	-
Cash - Village of House	64	2,616	(2,680)	-
Cash - Village of Logan	2,006	100,838	(102,844)	-
Cash - Village of San Jon	145	7,014	(7,159)	-
Cash - State Levy	4,104	151,801	(155,905)	-
Cash - Cattle Levy	1,843	63,801	(65,644)	-
Cash - Sheep Levy	4	125	(129)	-
Cash - Dairy Levy	0	13	(13)	-
Cash - Swine Levy	-	2	(2)	-
Cash - School District No. 1	20,662	637,136	(657,798)	-
Cash - School District No. 19	188	12,832	(13,020)	-
Cash - School District No. 32	5,367	222,971	(228,338)	-
Cash - School District No. 33	109	26,903	(27,012)	-
Cash - School District No. 34	3,068	100,368	(103,436)	-
Cash - School District No. 47	111	6,881	(6,992)	-
Cash - School District No. 53	129	6,987	(7,116)	-
Shared taxes receivable		3,878		3,878
Total assets	\$ 58,125	\$ 1,976,820	\$ (2,031,067)	\$ 3,878
LIABILITIES				
Other taxing units	\$ 58,125	\$ 1,976,820	\$ (2,031,067)	\$ 3,878
Total liabilities	\$ 58,125	\$ 1,976,820	\$ (2,031,067)	\$ 3,878
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 187,765	\$ 2,371,202	\$ (2,334,067)	\$ 224,900
Cash	-	3,878	-	3,878
Total assets	\$ 187,765	\$ 2,375,080	\$ (2,334,067)	\$ 228,778
LIABILITIES				
Deposits held for others	\$ 129,640	\$ 398,260	\$ (303,000)	\$ 224,900
Other taxing units	58,125	1,976,820	(2,031,067)	3,878
Total liabilities	\$ 187,765	\$ 2,375,080	\$ (2,334,067)	\$ 228,778

COUNTY OF QUAY, NEW MEXICO

Reconciliation of Tax Rolls
June 30, 2008

Property taxes receivable, beginning of year	\$ 479,818
Net taxes charged to Treasurer for fiscal year	3,344,497
Net additions/deletions to current year	(20,679)
Net additions/deletions to prior year	95,943
Collections for fiscal year	<u>(3,141,766)</u>
Property taxes receivable, end of year	757,813
Less: allowance for uncollectible accounts of 4%	<u>(30,313)</u>
Net property taxes receivable, end of year	<u>\$ 727,500</u>

Property taxes receivable by years:

1998-2000	\$ (1,603)
2001	50,486
2002	18,888
2003	9,687
2004	3,907
2005	137,229
2006	89,838
2007	<u>449,381</u>
	<u>\$ 757,813</u>

COUNTY OF QUAY, NEW MEXICO

County Treasurer's Property Tax Schedule
For the year ended June 30, 2008

	Balance June 30, 2007	Taxes Collected	Taxes Distributed	Balance June 20, 2008
County Funds				
General Fund Current Taxes	\$ -	\$ 889,779	\$ 889,779	\$ -
Delinquent taxes		85,957	85,957	-
Reappraisal Fund		32,115	32,115	-
Subtotal	-	1,007,851	1,007,851	-
Special Districts				
Dan C. Trigg Hospital		186,739		186,739
Arch Hurley Conservancy District	7,491	237,967	245,458	-
Mesalands Community College	4,808	162,998	167,806	-
Subtotal	12,299	587,704	413,264	186,739
Municipalities				
City of Tucumcari	8,026	231,689	239,715	-
Village of House	64	2,616	2,680	-
Village of Logan	2,006	100,838	102,844	-
Village of San Jon	145	7,014	7,159	-
Subtotal	10,241	342,157	352,398	-
State of New Mexico				
State Debt Service	4,104	151,801	155,905	-
Cattle Levy	1,843	63,801	65,644	-
Sheep Levy	4	125	129	-
Dairy Levy	-	13	13	-
Swine Levy	-	2	2	-
Subtotal	5,951	215,742	221,693	-
Schools				
School District No. 1	20,662	637,136	657,798	-
School District No. 19	188	12,832	13,020	-
School District No. 32	5,367	197,205	201,526	1,046
School District No. 33	109	26,903	27,012	-
School District No. 34	3,068	100,368	103,436	-
School District No. 47	112	6,881	6,992	1
School District No. 53	129	6,987	7,116	-
Subtotal	29,635	988,312	1,016,900	1,047
Grand Total	\$ 58,126	\$ 3,141,766	\$ 3,012,106	\$ 187,786

COUNTY OF QUAY, NEW MEXICO

Bank Reconciliation - All Accounts for Supporting Schedules
June 30, 2008

Bank Name	June 30, 2008			June 30, 2008
	Bank Statement Balance	Outstanding Deposits	Outstanding Checks	Book Balance
The First National Bank of New Mexico				
Tucumcari, New Mexico:				
Checking Account:				
Quay County Treasurer	\$ 1,287,585	\$ 2,874	\$ (172,659)	\$ 1,117,800
Certificates of Deposit:				
Quay County Treasurer	100,000	-	-	100,000
Quay County Treasurer	109,000	-	-	109,000
Quay County Treasurer	300,000	-	-	300,000
Quay County Treasurer	400,000	-	-	400,000
Wells Fargo Bank, N.A.				
Tucumcari, New Mexico:				
Checking Account:				
Quay County Treasurer	36,816	33	-	36,849
Certificates of Deposit:				
Quay County Treasurer	320,000	-	-	320,000
Everyone's Federal Credit Union				
Tucumcari, New Mexico:				
Certificates of Deposit:				
Quay County Treasurer	100,000	-	-	100,000
Citizens Bank				
Tucumcari, New Mexico:				
Checking Account:				
Detention Center	4,519	453	(84)	4,888
Certificates of Deposit:				
Quay County Treasurer	200,000	-	-	200,000
Quay County Treasurer	600,000	-	-	600,000
Quay County Treasurer	300,000	-	-	300,000
Tucumcari Federal Savings and Loan Association				
Tucumcari, New Mexico:				
Certificates of Deposit:				
Quay County Treasurer	100,000	-	-	100,000
Subtotal	3,857,920	3,360	(172,743)	3,688,537
Cash on hand	525	-	-	525
Total	3,858,445	3,360	(172,743)	3,689,062

COUNTY OF QUAY, NEW MEXICO

Schedule of Pledged Collateral
For the Year Ended June 30, 2008

	First National Bank of New Mexico Tucumcari, NM Deposits	Wells Fargo Bank, N.A. Tucumcari, NM Deposits	Everyone's Federal Credit Union Tucumcari, NM Deposits	Citizens Bank Tucumcari, NM Deposits	Tucumcari Federal Savings and Loan Association Tucumcari, NM Deposits	Total
Total amount of deposits on June 30, 2008	\$ 2,196,585	\$ 356,817	\$ 100,000	\$ 1,104,519	\$ 100,000	\$ 3,857,921
Less: FDIC coverage	(200,000)	(200,000)	(100,000)	(100,000)	(100,000)	(700,000)
Total uninsured public funds	<u>\$ 1,996,585</u>	<u>\$ 156,817</u>	<u>\$ -</u>	<u>\$ 1,004,519</u>	<u>\$ -</u>	<u>\$ 3,157,921</u>
50% collateral requirement (as per Section 6-10-17, NMSA 1978)	\$ 998,293	\$ 78,653	\$ -	\$ 500,000	\$ -	\$ 1,576,945
Pledged collateral held by the pledging bank's trust department or agent, but not in the agency's name	1,307,253	135,339				1,442,592
Pledged collateral held by the pledging bank's trust department in the agency's name				510,615		510,615
Total pledged collateral	<u>1,307,253</u>	<u>135,339</u>	<u>-</u>	<u>510,615</u>	<u>-</u>	<u>1,953,207</u>
Pledged collateral over (under) requirement	<u>\$ 308,960</u>	<u>\$ 56,686</u>	<u>\$ -</u>	<u>\$ 10,615</u>	<u>\$ -</u>	<u>\$ 376,262</u>

COUNTY OF QUAY, NEW MEXICO

Schedule of Pledged Collateral
For the Year Ended June 30, 2008

	Market Value
First National Bank of New Mexico Collateral held at Federal Home Loan Bank of Dallas:	
Federal Home Loan Bank Note, CUSIP 085279MU8, maturity date 8/1/15	\$ 124,211
Federal Home Loan Bank Note, CUSIP 085279MU8, maturity date 6/1/10	102,700
Federal Home Loan Bank Note, CUSIP 3133XBXT7, maturity date 12/1/08	101,601
Federal Home Loan Bank Note, CUSIP 077581MK9, maturity date 8/1/15	165,494
Federal Home Loan Bank Note, CUSIP 077581M32, maturity date 8/1/14	104,118
Federal Home Loan Bank Note, CUSIP 077581MK9, maturity date 8/1/15	110,329
Federal Home Loan Bank Note, CUSIP 899172GN4, maturity date 7/1/14	106,294
Federal Home Loan Bank Note, CUSIP 899172GM6, maturity date 7/1/13	106,474
Federal Home Loan Bank Note, CUSIP 31371NH81, maturity date 8/1/27	45,642
Federal Home Loan Bank Note, CUSIP 3133XPCF9, maturity date 2/8/19	99,889
Federal Home Loan Bank Note, CUSIP 31371KXL0, maturity date 12/1/09	8,201
Federal Home Loan Bank Note, CUSIP 876014EW7, maturity date 7/1/11	103,661
Federal Home Loan Bank Note, CUSIP 3128QHVP2, maturity date 9/1/36	128,639
	<u>\$ 1,307,253</u>
Wells Fargo Bank, N.A.:	
FGIOH0H00895 Note, CUSIP 3128MS7G9, maturity date 6/1/37	\$ 65,109
FNCL Note, CUSIP 31365EJY0, maturity date 4/1/27	6,428
FNCL Note, CUSIP 31409UUZ6, maturity date 5/1/36	63,802
	<u>\$ 135,339</u>
Citizens Bank:	
Federal National Mortgage Association Note, CUSIP 3136F7BE6, maturity date 6/21/10	<u>\$ 510,615</u>

COUNTY OF QUAY, NEW MEXICO

Joint Powers Agreements For the year ended June 30, 2008

Description:	Housing of prisoners
Purpose:	To house adult and juvenile prisoners
Participants:	Quay County
Party responsible for operations:	Curry County
Beginning date of agreement:	March 18, 2008
Ending date:	Indefinite, may be terminated in 30 days
Total estimated amount of project:	\$75 per day for adult prisoners and \$125 per day for juvenile prisoners
Amount County contributed in current fiscal year:	Not separately accounted for
Audit responsibility:	Curry County
Fiscal Agent:	Curry County
Name of government where revenues and expenditures are reported:	Curry County

Description:	Housing of prisoners
Purpose:	To house adult and juvenile prisoners
Participants:	Lea County
Party responsible for operations:	Lea County
Beginning date of agreement:	May 22, 2007
Ending date:	May be terminated by either party in 30 days
Total estimated amount of project:	\$85 per day, additional \$10 per day for incarceration in behavior modification program
Amount County contributed in current fiscal year:	Not separately accounted for
Audit responsibility:	Lea County
Fiscal Agent:	Lea County
Name of government where revenues and expenditures are reported:	Lea County

COUNTY OF QUAY, NEW MEXICO

Joint Powers Agreements For the year ended June 30, 2008

Description:	Housing of prisoners
Purpose:	To house adult and male juvenile prisoners
Participants:	Union County, San Miguel County, Roosevelt County
Party responsible for operations:	Quay County
Beginning date of agreement:	May 1, 2008
Ending date:	May 1, 2009- may be renewed
Total estimated amount of project:	Daily rate of \$125 per day
Amount County contributed in current fiscal year:	Not separately accounted for
Audit responsibility:	Quay County
Fiscal Agent:	Quay County
Name of government where revenues and expenditures are reported:	Quay County

Description:	Housing of prisoners
Purpose:	To house adult prisoners
Participants:	San Miguel County
Party responsible for operations:	Quay County
Beginning date of agreement:	Fiscal year 2008
Ending date:	June 30, 2008
Total estimated amount of project:	Daily rate of \$105 per day
Amount County contributed in current fiscal year:	Not separately accounted for
Audit responsibility:	Quay County
Fiscal Agent:	Quay County
Name of government where revenues and expenditures are reported:	Quay County

COUNTY OF QUAY, NEW MEXICO

Joint Powers Agreements
For the year ended June 30, 2008

Description:	Wildfire Suppression
Purpose:	Purchase Wildland Fire Engine for Bard-Endee Fire District
Participants:	NM Energy, Minerals and Natural Resources Department
Party responsible for operations:	Quay County
Beginning date of agreement:	January 22, 2007
Ending date:	March 30, 2008
Total estimated amount of project:	\$100,000
Amount County contributed in current fiscal year:	\$110,634
Audit responsibility:	Quay County
Fiscal Agent:	Quay County
Name of government where revenues and expenditures are reported:	Quay County

COUNTY OF QUAY, NEW MEXICO
Schedule of Legislative Appropriation
For the Year Ended June 30, 2008

Description	Original Appropriation	Appropriation Dates	Total Expenditures	Balance
Plan, design and construct offices at the Quay Ag Education Center	\$ 346,500	May 20, 2007 to June 30, 2010	\$ -	\$ 346,500.00
Art in Public Places	3,500	May 20, 2007 to June 30, 2010	3,500	-
Repairs to County buildings including, Dan C. Trigg Hospital	150,000	May 3, 2007 to June 30, 2011	44,515	105,485
Purchase road equipment and Rock Crusher	125,000	May 3, 2007 to June 30, 2009	-	125,000
Plan, design, and construct improvement to the fairgrounds	<u>65,000</u>	September 12, 2007 to June 30, 2010	<u>12,991</u>	<u>8,836</u>
	<u>\$ 690,000</u>		<u>\$ 61,006</u>	<u>\$ 585,821</u>

**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**

R. Kelly McFarland

Certified Public Accountant
A Professional Corporation

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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

Members of the Board of County Commissioners
County of Quay
Tucumcari, NM
and
Mr. Hector H. Balderas
New Mexico State Auditor
Santa Fe, NM

I was engaged to audit the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons for the general fund and major special revenue funds of Quay County, New Mexico, and the financial statements of each of the County's nonmajor governmental and fiduciary funds presented as supplementary information in the combining and individual fund financial statements as of and for the year ended June 30, 2008, and have issued my report thereon dated April 24, 2009 in which I disclaim an opinion of the financial statements resulting from limitations in the scope of my audit such that I was unable to apply auditing procedures to the balance of delinquent property taxes receivable, capital asset records and the amount of a material pass-through grant. The limitation in the scope of my audit preclude the conduct of my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Quay County, New Mexico's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my 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, I do not express an opinion on the effectiveness of Quay County, New Mexico's internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Quay County, New Mexico's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by Quay County, New Mexico's internal control. I consider the deficiencies described in the accompanying Schedule of Findings and Responses to be significant deficiencies in internal control over financial reporting. Significant deficiencies include Finding Nos. 08-01; 08-02; 08-03; 08-04; 08-05; 08-06; 08-07; 08-08; 08-09.

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

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, I consider item Nos. 08-01; 08-03; 08-04; 08-05; 08-06; 08-07; and 08-09 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Quay County, New Mexico's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as items 08-10; 08-11; 08-12; 08-13; 08-14; 08-15 and 08-16.

Quay County, New Mexico's response to the findings identified in my audit is described in the accompanying Schedule of Findings and Responses. I did not audit the County's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management, the Board of County Commissioners, the New Mexico Department of Finance and Administration, the New Mexico Legislature, the Office of the New Mexico State Auditor and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "R Kelly Farland". The signature is written in black ink and is positioned above the date.

April 24, 2009

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings and Responses For the year ended, June 30, 2008

Current Year Findings

INTERNAL CONTROL OVER FINANCIAL REPORTING

Finding 08-01

Delinquent Taxes Receivable Reconciliation

Condition

The Treasurer's *Reconciliation of Tax Rolls* at June 30, 2008, was not in agreement with the detail delinquent taxes receivable ledger by an amount of \$169,759. The Treasurer has been unable to generate reports from the software system used by County Government to reconcile the difference. Additionally, the software does not provide reports necessary for distribution of delinquent taxes receivable due to other governments.

Criteria

NMSA 4-43-2 prescribes the general responsibilities of the Treasurer which requires maintaining the County financial records. Audit Rule 2.2.2.12 NMAC, promulgated by the New Mexico State Auditor, requires that audit reports of New Mexico counties include a *Tax Roll Reconciliation*. The reconciliation is necessary to confirm the balance of property taxes due and payable to County government from the billing, collection and distribution of property tax revenues. Proper accounting practices require the comparison of the total property taxes receivable as reflected in the detail property tax ledger with the *Reconciliation of Tax Rolls* on a regular basis to ensure that property taxes receivable are properly stated and controlled.

Cause

Prior to the year 2000, County government outsourced the processing of its property tax accounting to a local service bureau. In that year, the service bureau's system crashed and property tax data was lost. Subsequently, the County elected to assume the responsibility for its own processing and acquired software from a vendor, Equiteck. In approximately 2004, management become dissatisfied with this vendor and selected another vendor, Tyler Technology.

I understand that reconciliations do not exist for reconstruction proving the validity of the data base of detail taxes receivable from the service bureau crash in 2000 nor from the conversion from Equiteck software to Tyler Technology in 2004. Management, is therefore uncertain, if the proper balances for taxes receivable in either the rebuilding of the data base or the conversion from one system to another has been correct since 2000.

A compilation of balances from the computer system and the Treasurer's *Reconciliation of Tax Rolls* reflects large differences in 2004 which may indicate problems with the conversion.

Comparison of the detail property taxes receivable ledger totals with the *Reconciliation of Tax Rolls* apparently has never been a part of the control processes of the Treasurer's Office.

The software for the property tax system used by the Treasurer's office, Tyler Technology, is very inflexible. Although the Treasurer requested assistance from the software vendor for over a period of over almost four months, the vendor has not satisfactorily responded. The Treasurer has been unable to generate reports from the system necessary to reconcile the missing property taxes receivable.

COUNTY OF QUAY, NEW MEXICO

**Schedule of Internal Control and Compliance Findings and Responses
For the year ended, June 30, 2008**

Current Year Findings

Delinquent Taxes Receivable Reconciliation, continued

Approval of changes to the property tax roll is not well documented by the Assessor and the Treasurer. Reports from the computer system of the changes from the Assessor's office cannot be reconciled with changes filed in the Treasurer's office, or with the *Reconciliation of Tax Rolls*. Finally, the Treasurer's office does not have written policies and procedures for operations of the office or to clarify segregation of duties within the two person office.

Effect

Determination as to whether or not the financial statements are materially misstated is not possible because reconciliation cannot be prepared. Additionally, control and possible collection of material property taxes receivable are at risk. The portion of delinquent taxes receivable to other governments cannot be properly reflected on the financial statements.

Recommendation

I recommend that the County Commission contact the software vendor and insist that the vendor assist the County Treasurer in generating the necessary reports to reconcile property taxes receivable.

I also recommend that the Treasurer adopt written policies for the administration of the Treasurer's office which includes no less than a monthly reconciliation of property taxes receivable, to include a comparison of the detail property taxes receivable ledger with the Treasurer's *Reconciliation of Tax Rolls* report. The policy should also include a process for achieving a segregation of duties, to the extent possible, as well as processes for controlling deposits, bank reconciliations, documentation of responsibility for processes and review of processes, control and preparation of journal entries for posting Tyler Technology data to the general ledger system, and control of passwords for access to the system.

Finally, I recommend that all changes to the property tax roll be jointly approved by the Assessor and Treasurer and such approval be documented by each signing the change form. I, also, recommend that as a part of the reconciliation process, a report of all changes for the month be prepared from the computer system and reconciled with the approved changes signed by the Assessor and Treasurer as a part of the reconciliation process.

Management's response

We have contacted our software vendor several times and they are currently working on getting us the detail the auditor and the County will need to print a detail of the adjustments. The tax maintenance report does need to accurately report the property tax due to the County. This problem had to have occurred during our last conversion which was in 2004 and 2005 which the County has approved audits for these years and several years after the conversion. Quay County will work with our software company and get the reports needed for the years in question but the current years have been reported correctly and feel the software is working since the conversion.

Sentence No. 3-This problem and finding had to have occurred during our last computer conversion in 2004 and 2005. However, Quay County received approved audits from the State Auditor for these years and several years after the conversion.

COUNTY OF QUAY, NEW MEXICO

**Schedule of Internal Control and Compliance Findings and Responses
For the year ended, June 30, 2008**

Current Year Findings

Delinquent Taxes Receivable Reconciliation, continued

Following the current Audit Exit Conference, Quay County Assessor and Treasurer have reviewed the findings regarding delinquent taxes receivable. Their review and findings has reduced the delinquent tax amount stated above by a substantial amount.

Quay County agrees the Assessor and the Treasurer need to review and approve any changes to the Property Tax Roll.

Finding 08-02

Software Systems and Backup Procedures

Condition

The offices of the County Clerk, Assessor and Treasurer all use software from a software vendor, Tyler Technology, while the general ledger uses Caselle system software. The property tax system used by the Treasurer is not integrated with the Caselle general ledger system.

Neither software system has been subject to a SAS 70 (third party review) Report.

The Tyler Technology system is backed up daily on a magnetic tape, but is not taken offsite. The general ledger system is backed up on an external hard drive several times per week and is taken offsite weekly. Restoration of neither system has been tested to determine if data can be restored. The County Clerk was of the understanding that the Tyler Technology system was remotely backed up offsite; however, the software vendor indicated to the auditors they do not do this.

Passwords of users of the computer systems are not regularly changed. The Treasurer's office uses temporary employees who use the Treasurer's passwords. These passwords allow temporary employees access to the general ledger.

Criteria

Computer software is most effectively utilized to achieve control through automated systems which avoids hand posting and limits possible data manipulation when all systems are integrated to work with one another.

An integral part of any disaster recovery plan is a backup system and the ability to restore lost or corrupted data.

To ensure the software performs its proper function, a best practice is for the software to be subject to a third party review to test the effectiveness of the software.

Cause

County government is inherently difficult to administer because it lacks central authority for decision making due to the myriad of elected officials. Apparently, all of the elected officials were unable to agree on a single system for County government.

Because of the two computer systems, a County-wide policy has not been adopted for the backup system.

COUNTY OF QUAY, NEW MEXICO

**Schedule of Internal Control and Compliance Findings and Responses
For the year ended, June 30, 2008**

Current Year Findings

Software Systems and Backup Procedures, continued

County government does not have an information technology policy to govern the access, backup, security, and effectiveness evaluation of software providers as well as other matters.

Effect

County government is at risk for loss of data, security breach and unauthorized access. Moreover, County government is utilizing software from vendors who are unresponsive to the needs of the Government.

Recommendation

I recommend County government consider a single software provider to integrate all of the systems of the government.

I, also, recommend County government adopt an information technology policy.

Finally, I recommend management request a SAS 70 report from the software vendors.

Management's response

Quay County agrees we need an information technology policy and will get one. Ideally, one software vendor would be preferred but our vendors do not provide all the services the County needs. The County has implemented a back up procedure that will make sure we have off site back up.

Finding 08-03

Accounting for Outstanding Debt Issues

Condition

The beginning balance of notes payable at July 1, 2007, for the Porter Fire Department in the amount of \$50,145 was misstated as the note was paid off in the prior fiscal year.

Criteria

Proper accounting for payments on notes payable is required to accurately reflect obligations of County government.

Cause

The payoff of the Porter Fire Department in the prior year was misclassified as vehicle expense.

Additionally, the computer system does not account for outstanding debt issues nor are other records maintained to account for the balances of outstanding obligations.

Effect

Notes payable at the beginning of the fiscal year was misstated.

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings and Responses
For the year ended, June 30, 2008

Current Year Findings

Accounting for Outstanding Debt Issues, continued

Recommendation

I recommend that outstanding debt issues be either recorded in the general ledger, possibly in a separate fund, or on a manual accounting system.

I, also, recommend that account classification be reviewed by another person to ensure expenditures are properly classified.

Management's response

Quay County agrees with the recommendation and will ensure expenditures are properly classified.

Finding 08-04

Accounting for Leases

Condition

Operating leases for road department equipment were accounted for as capital leases and capital leases for office equipment was accounted for as operating leases.

Criteria

Financial Accounting Standards (FAS) No. 13 requires leases to be classified as a capital lease if any one of the following criteria is met; otherwise, it must be classified as an operating lease:

1. Ownership is transferred at the end of the lease term.
2. The lease contains a bargain purchase option (the option to purchase the property at less than fair value).
3. The lease is for a term of 75% or more of the estimated economic life of the leased property.
4. The present value of the minimum lease payments at the beginning of the lease, excluding insurance, taxes and maintenance is equal to 90% or more of the fair value of the leased property at the inception of the lease, net of any investment tax credit.

Cause

County government was not aware of the requirements of FAS No. 13.

Effect

Capital leases as reflected on the financial statements at July 1, 2007, were overstated in the amount of \$405,219.

Recommendation

I recommend leases be properly classified as capital or operating leases as required by FAS No. 13.

COUNTY OF QUAY, NEW MEXICO

**Schedule of Internal Control and Compliance Findings and Responses
For the year ended, June 30, 2008**

Current Year Findings

Accounting for Leases, continued

Management's response

Quay County was not aware of this requirement and will classify our capital or operating leases correctly.

Finding 08-05

Accrual of Revenue

Condition

Revenues were not accrued at June 30, 2008.

Criteria

NCGA Statement 1 provides that governmental funds recognize revenue in the period in which they become both measureable and available to finance expenditures. Generally, available revenues are considered available if received within 60 days of the end of the fiscal year.

Cause

The Caselle general ledger system is structured to provide for recognition of revenues on the modified accrual basis; however, revenues meeting the criteria for recognition must be identified when recorded. The Treasurer's office was not aware of the requirement to identify the revenues for accrual in the system.

Effect

The financial records were misstated by the amount of all accrued revenues.

Recommendation

I recommend revenues meeting the requirements for recognition on the modified accrual basis are recorded as accrued revenues.

Management's response

Quay County does accrue the expenses and have discussed the revenue accrual with the Treasurer and will accrue our revenues.

Finding 08-06

Capital Asset Accounting

Condition

Capital assets were inventoried during the current year in response to the prior year's audit findings. Assets inventoried were recorded on depreciation schedules and depreciation was recorded. While this is a major step in accounting for the County's capital assets for the first time, the following findings were noted:

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings and Responses For the year ended, June 30, 2008

Current Year Findings

Capital Asset Accounting, continued

- Controls were not employed in recording capital assets on the depreciation schedules from the capital asset inventory resulting in incomplete and inaccurate depreciation schedules;
- Values assigned to some equipment were not documented by supporting documentation or appropriate methods for estimating historical cost as provided by GASB No. 34. Of 25 assets tested, 14 assets with an assigned value of \$113,589 had no supporting documentation for the value assigned;
- Capitalized costs of buildings include land;
- Assets are included on the depreciation schedules that are less than the capitalization policy of \$5,000. Of 25 asset values tested, 9 assets totaling \$20,780 had assigned values of less than \$5,000;
- Salvage values were not assigned to the assets for depreciation purposes;
- Road equipment obtained with operating leases were included as capital assets in the amount of \$1,324,634 and office equipment under capital leases in the amount of \$20,780 were not included in fixed assets;
- Although County government has opted to use the modified approach to record infrastructure assets, the GASB No. 34 requirements to use the modified approach have not been met;
- Expenditures (capital outlay) totaling \$21,646 were misclassified as capital assets, which did not meet the capitalization policy;
- The hospital facility and equipment was not included on the depreciation schedule.

Criteria

Proper accounting practices require the use of controls to ensure that data is accurately compiled. GASB No. 34 establishes the criteria for estimating historical cost upon the initial recording of capital assets when cost records are not available. Examples include the use of old catalogs for equipment items or using an appropriate price index to deflate the current replacement cost. Generally accepted accounting principles require that building costs exclude land for purposes of depreciation. In order to adopt the modified approach for reporting of infrastructure assets, GASB No. 34 requires the government to develop an asset management system to include an up to date inventory and a budget to maintain infrastructure assets at an established condition level. The level of condition should be documented by the government. Capital and operating lease classifications are discussed above. Proper account classification for purchases of capital assets is important to properly classifying capital assets not only on the general ledger but in the detail capital asset records as well.

Cause

The 2008 fiscal year was the first year County government had attempted to adopt GASB No. 34 reporting for capital assets. Accounting personnel were unfamiliar with the requirements of GASB No. 34, general depreciation methods and how to use controls to ensure data was recorded correctly.

Effect

The financial statements are misstated and GASB No. 34 disclosures regarding the condition of infrastructure assets have not been made.

COUNTY OF QUAY, NEW MEXICO

**Schedule of Internal Control and Compliance Findings and Responses
For the year ended, June 30, 2008**

Current Year Findings

Capital Asset Accounting, continued

Recommendation

I recommend, first, that an accurate depreciation schedule be compiled from the capital asset inventories to include nondepreciable land for buildings sites and appropriate salvage values; secondly, values that are not supported by invoices should be estimated and using documented methods as provided by GASB No. 34; and thirdly, the GASB No. 34 requirements to adopt the modified approach for reporting infrastructure need to be implemented. Finally, I recommend that someone is provided with appropriate training in accounting for capital assets and that person be assigned the responsibility to ensure proper accounting for capital assets.

Management's response

Quay County has worked to get accurate fixed assets reported with costs. Most of the assets are old and were difficult to get actual costs but will try and get better estimates.

Finding 08-07

Detention Center - Accounting System

Condition

The bank account maintained by the Detention Center for prisoner trust funds is not reconciled and is not recorded in the County Government accounting system, nor is the account under the supervision or review of the County Treasurer or included in the County Treasurer's reports of cash.

Commissary items sold to prisoners included a gross profit markup as well as the cost of items sold. While the gross profit is remitted to the County Treasurer at least monthly, the cost of sales is maintained and co-mingled with prisoner trust funds.

The bookkeeping system used by the Detention Center to account for receipts and disbursements did not agree with actual transactions as reflected in the bank statement. Receipts reported by the bookkeeping system were \$5,704 less than reflected on the bank statements and disbursements were \$10,204 less than reflected on the bank statements.

Receivables for charges to other governmental jurisdictions are not recorded and are not a part of County governments general ledger system. Receivables records consist only of a copy of the outstanding invoices in a file. Receivables for financial reporting at the end of an accounting period are difficult to determine.

Prisoner days include unbilled and unbillable prisoner days which are not well controlled, nor reported to County government management.

Criteria

Proper accounting procedures require the preparation of bank reconciliations to properly control the bank account. Moreover, as Detention Center personnel have a responsibility to maintain and preserve Prisoner Trust funds, the reconciled cash balance should agree with control totals of Prisoner Trust funds held. Section 6-10-8 NMSA 1978 charges the County Treasurer with the responsibility for supervision over public money.

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings and Responses For the year ended, June 30, 2008

Current Year Findings

Detention Center - Accounting System

The bookkeeping system used to account for receipts and disbursements must be accurately maintained. The bank balance as reflected by the bookkeeping system must agree to the bank reconciliation.

NCGA Statement 1 requires that the modified accrual method of accounting be used to reflect accrued revenue for governmental funds. Proper accounting procedures, also, require the recording of receivables and the receipt of payments to properly control amounts billed to other governments.

In order to monitor the efficiency of the Detention Center, a report of all prisoner days should be made to County management to include billed and unbilled prisoner days, as well as an aging analysis of receivables from other governments.

Cause

A bank account is required at the Detention Center as prisoners are incarcerated and released on a twenty-four hour basis, seven days a week; therefore, prisoner funds must be placed in trust for incoming prisoners and disbursed to released prisoners at all times. Policies have not been adopted regarding the accounting processes required to maintain the trust funds or commissary funds and personnel at the Detention Center do not have accounting training. The Detention Center does not have an effective system for recording billings to other governments for holding prisoners for them.

Effect

County government is at risk of misstatement or fraud for mishandled prisoner funds, unrecorded prisoner billings and uncollected prisoner billings. I would bring to your attention that in the prior year, County government experienced a loss due to embezzlement in the Sheriff's department due to similar circumstances which included failure to reconcile the bank account. The financial statements are misstated by the amount of unrecorded receivables.

Recommendation

I recommend the following:

- The Detention Center bank account should be under the supervision of the County Treasurer;
- The bank account should be reconciled on a monthly basis and the reconciliation should be reviewed by the Treasurer;
- The bank reconciliation should also include a reconciliation of the reconciled bank balance to the detail of prisoner trust funds;
- All funds collected for sales of commissary items to prisoners, not just the gross profit, should be transferred to the County's general account on a least a monthly basis to minimize co-mingling with trust funds;
- County government should implement an automated billing and accounts receivable process for billings of incarceration of prisoners for other governments. The receivables system should include an age analysis. The most effective method would be to integrate the billing system into County government's general ledger system. Additionally, management should receive a report of Detention Center activity to include all prisoner

COUNTY OF QUAY, NEW MEXICO

**Schedule of Internal Control and Compliance Findings and Responses
For the year ended, June 30, 2008**

Current Year Findings

Detention Center - Accounting System, continued

days, both billed and unbilled. Unbilled prisoner days should be documented and explained;

- Personnel in the Detention Center should receive training in bookkeeping processes, necessary controls and reconciliations if a bank account is used by the department.

Management's response

The Treasurer will review the Detention Center bank reconciliation and the administration department will review the billing and acquire accounts receivable software to bill other entities. The Detention Center is depositing all funds except the inmate's funds with the County Treasurer.

Finding 08-08

Recording of Interest Income

Condition

Interest income from the County's pooled accounts is allocated only to the major County funds, rather than all funds maintaining a balance in the pooled account.

Interest is only recorded when received. Accrued interest receivable at the end of the accounting period is not recorded.

Criteria

Each of the County's funds is entitled to its share of interest earned on the cash balance the fund maintains. Special Revenue Funds that are obligated for specific purposes as provided by law necessarily must have interest income earned by the fund properly credited to that fund. As previously discussed, the modified accrual method of accounting used by governmental funds requires the accrual of revenues which meet the test for measureable and available.

Cause

Although a worksheet has been designed to allocate interest income among funds, it is only used to allocate interest to a few major funds. The Treasurer does not believe the amount of interest allocated to other funds is significant. Interest has never been accrued by the Treasurer.

Effect

The financial statements are misstated because interest income is not properly allocated. Some Special Revenue Funds are subsidizing the General and Road Fund with revenue that should only be used for the purpose as provided by law. Financial statements are further misstated as accrued interest is not recorded.

Recommendation

I recommend the allocation worksheet the Treasurer already has be utilized to allocate interest to all County Funds with a cash balance. A policy should be promulgated to address funds with inconsequential balances and approved by the County Commission, if necessary. I recommend

COUNTY OF QUAY, NEW MEXICO

**Schedule of Internal Control and Compliance Findings and Responses
For the year ended, June 30, 2008**

Current Year Findings

Recording of Interest Income, continued

that the modified accrual method of accounting be used to account for interest as well as other revenues.

Management's response

The Treasurer is allocating all interest to all County Funds at this time.

Finding 08-09

Sole Community Provider Accounting

Condition

Sole Community Provider Funding, a pass-through grant to the County Hospital, operated by a nonprofit, is not recorded in the books of account of Quay County government. The requested amount of the grant was \$2,129,456; however, the amount received by the hospital has not been determined.

Criteria

GASB Codification N50.128 requires pass-through grants to be recorded by the recipient government, if it has oversight responsibility. As Section 27-5-12.2, NMSA 1978, provides that the County must exercise some oversight' recording of the pass-through funds is required.

Cause

The funds are forwarded directly to the nonprofit lessee of the hospital and are not received by the County Treasurer and are, therefore, not recorded.

Effect

The financial statements are materially misstated.

Recommendation

I recommend the Sole Community Provider Funds be recorded and, of course, budgeted.

Management's response

The County agrees the pass-through funds should be recorded in the County's general ledger.

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings and Responses
For the Year Ended, June 30, 2008

Current Year Findings

COMPLIANCE AND OTHER MATTERS

Finding 08-10

Procurement Code Violation

Condition

Sealed bids were not requested for expenditures incurred at approximately the same time to replace roofs on County buildings at a cost of \$53,471, performed by a single contractor.

Criteria

Section 13-1-28, NMSA 1978 requires sealed competitive bids for projects costing over \$20,000. The procurement code makes clear it applies to every expenditure for public bodies and that it is to be liberally construed to "maximize the purchasing value of public funds and to provide safeguards for maintaining a procurement system of quality and integrity".

Cause

Management was of the opinion that since three roofing projects were contemplated, in which each roof cost less than \$20,000, competitive sealed bids were not required. Six telephone quotes were solicited from different contractors.

County Government does not have a procurement policy.

Effect

County government is not in compliance with the state procurement code. As the County does not have a procurement policy, the government is continually at risk for violating the procurement code. This is a repeated finding from the prior year.

Recommendation

I recommend that County government adopt a procurement policy to provide guidance for the procurement process. This is particularly important as the County has a decentralized procurement process in which a number of different people, to include the department heads and fire departments, make procurement decisions which obligates the County. I, also, recommend that even if the County continues to use the decentralized purchasing that someone be appointed as Procurement Officer to advise and approve purchases made throughout the County. The Procurement Officer should have appropriate training for this position.

Management's response

This finding involved three separate jobs and the estimated cost of each job was below the County's Procurement Policy guideline amount. Each of the three separate jobs received three separate quotes, complying with the policy, and the same contractor was the successful low bidder on all three jobs. When all three individual amounts were combined the total did exceed the \$20,000.00 policy amount.

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings and Responses
For the Year Ended, June 30, 2008

Current Year Findings

Procurement Code Violation, continued

The County disagrees with this finding. This was three separate jobs and each job received three separate quotes, therefore, followed the County's procurement policy which the County has implemented

Finding 08-11

PERA Required Contribution

Condition

I was unable to determine from available records if all required contributions had been made to the Public Employers Retirement Fund. PERA reports for the fiscal year reported wages of \$1,562,403 and wages adjusted for excluded wages amounted to \$1,580,998 - a possible underreporting of \$18,595.

Criteria

Section 10-11-1 to 38, NMSA 1978 requires employers to contribute to PERA for all eligible employees. In order to comply with this requirement, reconciliations of payroll expense, as reflected on the general ledger, payroll reports from the payroll system, other state and federal payroll reports and documentation of excluded wages must be prepared to control the preparation of reports to PERA to ensure all contributions are made as required.

Cause

Accounting personnel do not have the training to prepare the payroll reconciliations.

Effect

Quay County may not be in compliance with requirements for PERA contributions and may have a liability to PERA which misstates the financial statements.

Recommendation

I recommend that accounting personnel receive training in the reconciliation of payroll reports and in maintaining the documentation to support wages excluded from reporting. I further recommend that reconciliation forms and processes be developed to facilitate the reconciliation process.

Management's response

County personnel will print reports so they can reconcile the general ledger with the PERA reports.

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings and Responses
For the Year Ended, June 30, 2008

Current Year Findings

Finding 08-12

Cell Phone Allowance

Condition

Certain employees receive a cell phone allowance which is not included in reported taxable wages. I was unable to examine sufficient documentation of this employee fringe benefit to determine if it is properly excludable under the Internal Revenue Code.

Criteria

Cell phones are specifically defined as listed property pursuant to Section 280F(d)(4) of the Internal Revenue Code (IRC) and subject to the substantiation requirements of IRC Section 274 (d). The value of the use of the cell phone may not be excluded from the employees' taxable wages unless properly substantiated by adequate records or by corroborating evidence to include 1) the amount of the expenditure, 2) the time and place of the expense, 3) the business purpose of the expense and 4) the business relationship of the employee to the persons involved in the expense.

Cause

Personnel responsible for payroll reporting are unfamiliar with the requirements for exclusions from taxable wages and the required substantiation requirements.

Effect

Taxable wages of employees may be under reported on forms W-2. Payroll taxes submitted to the Internal Revenue Service may have been under reported.

Recommendation

I recommend that payroll personnel become familiar with the requirements for excluding fringe benefits from employees' wages and ensure that only those fringe benefits specifically allowed by the Internal Revenue Code are excluded.

Management's response

County personnel are called on their personal cell phones when needed for County business and the County reimburses them for their expense. The County will adopt a policy for this procedure.

Finding 08-13

Compliance with Fair Labor Standards Act

Condition

Three non-law enforcement employees at June 30, 2008, were noted with accrued comp time of 396 hours, 371 hours and 371 hours. Comp time for some individuals has been outstanding for over one year and is not used within 30 days. Comp time for these individuals has not been accrued in the financial statements for any liability for overtime for excess comp time wages.

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings and Responses
For the Year Ended, June 30, 2008

Current Year Findings

Compliance with Fair Labor Standards Act, continued

Criteria

The Fair Labor Standards Act provides that non-law enforcement employees must be paid overtime for hours in excess of 240. The County Personnel Policy provides that comp time carryover should be used in 30 days.

Cause

Payroll personnel and supervisors are not closely monitoring comp time accrued.

Effect

County government is not in compliance with the Fair Labor Standards Act or the County's own personnel policy. The financial statements are misstated for the amount of any liability for overtime, resulting from excess comp time.

Recommendation

I recommend that personnel and supervisors receive training in comp time and overtime requirements for employees. I further recommend that a process be developed for monitoring comp time to ensure compliance with the requirements of the Fair Labor Standards Act.

Management's response

The County will monitor comp time to ensure compliance with the requirements of the Fair Labor Standards Act.

Finding 08-14

Actual Expenditures in Excess of Budget

Condition

Expenditures exceeded budgeted expenditures in the Law Enforcement Protection Fund by \$27,541.

Criteria

Section 6-6-6, NMSA 1978 provides that expenditures cannot exceed the legally adopted budget.

Cause

Capital outlay expenditures exceeded budgeted amounts which were not closely monitored.

Effect

County government is not in compliance with statutory budget requirements.

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings and Responses
For the Year Ended, June 30, 2008

Current Year Findings

Actual Expenditures in Excess of Budget, continued

Recommendation

I recommend that to assist in monitoring budgets, management request the County's general ledger software vendor to provide a report for management and the elected officials to prepare reports to specifically identify any funds exceeding budgeted amounts. I, also, recommend department heads more closely monitor budget expenditures.

Management's response

The County will monitor budget and expenditures so they will stay within budget.

Finding 08-15

Late Submission of Audit Report

Condition

The audit report for the year ended June 30, 2008, was submitted to the New Mexico State Auditor after November 15, 2008.

Criteria

Audit Rule 2.2.2 NMAC, promulgated by the New Mexico State Auditor, requires the submission of the audit reports for County governments for the year ended June 30, 2008, no later than November 15, 2008.

Cause

The County has been unable to reconcile delinquent taxes receivable, as discussed in a previous finding, in part, because reports necessary to even determine if reconciliation is possible could not be obtained from the computer system. County Officials made repeated requests to the software vendor and received repeated and continuing assurance of assistance that has to this date still not been provided.

Effect

County government is delinquent in submitting the audit report.

Recommendation

I recommend the implementation of recommendations included in this report in order to have available at year end all accounting records necessary for audit.

Management's response

The County made every effort to resolve finding 08-01 so the auditor could file the audit on time.

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings and Responses
For the Year Ended, June 30, 2008

Current Year Findings

Finding 08-16

Valuation Increases of Property

Condition

Property valuation increases have not been assessed on property in certain areas of the County since 2003.

Criteria

The New Mexico Property Tax Code requires that property be "valued at its current and correct value." Section 7-36-21.2, NMSA 1978 limits increases for residential property to 3% per year. Section 7-36-16, NMSA 1978 requires County Assessors to "implement a program of updating property values so that current and correct values of property are maintained."

Cause

The County Assessor feels that some areas of the County are already over assessed. Because the computer software used by the Assessor can only increase the value of all properties in a specific area, the over assessed properties must be identified so that valuations on the over assessed properties are not increased.

Effect

County government is not collecting all of the revenue that would be possible if property values were increased.

Recommendation

I recommend that the statutory requirements for property valuations be implemented. As previously discussed, the software used by the County for property tax accounting appears to have significant limitations. The County may wish to consider other vendors in order to achieve more effective administration of property taxes.

Management's response

The Assessor has already changed the property valuations so the next assessments will be correct.

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings
For the year ended, June 30, 2008

Prior Year Findings

PRIOR YEAR FINDINGS - Unresolved and repeated in this report

01-2 Detention Center Accounting System (Finding 08-07)

01-3 Capital Assets Management (sic) (Finding 08-06)

This finding is partially resolved as County assets were inventoried during the year; however, capital assets were not properly reported for financial statement purposes.

01-8 Actual Expenditures Exceeded Budgeted Expenditures (Finding 08-14)

01-12 Property Tax Ten Year History

Statement of Finding: A ten-year history of assessments and tax collections by individual entity was not available. (The ten-year tax collections history is available.)

Criteria: SAO Rule 2.2.2.12D requires a schedule of the ten-year history of tax collections by entity be presented in the form outlined in SAO Rule Appendix D. This is now required due to the adoption of GASB No. 33.

Effect: A historical view of past tax collections and the ability to compare past years with current collections is not available.

Cause: Computer problems did not allow this information to be available.

Recommendation: The County should program the new system to make this information available.

02-1 Accounting System - Payroll Payables Fund

Statement of finding: The Payroll Payables Fund contained a cash balance during the year and at year end.

Criteria: According to personnel at the firm which made the County's software accounting system, this fund should be zero at the end of each accounting period.

Effect: The cash balance of this fund needed to be adjusted by the auditors at year end.

Cause: It is not clear what has caused this problem.

Recommendation: County personnel should work with the software firm in order to correct this problem to ensure that it does not reoccur.

COUNTY OF QUAY, NEW MEXICO

Schedule of Internal Control and Compliance Findings
For the year ended, June 30, 2008

Prior Year Findings

03-2 Procurement Code Documentation (Finding 08-10)

07-1 Reconciling Items on Bank Reconciliation

This finding is substantially corrected, except for 9 immaterial outstanding checks dated from June 12, 2006, to March 26, 2007, totaling \$1,232 and outstanding checks for the current year, primarily to Amarillo National Bank, totaling \$7,270.

PRIOR YEAR FINDINGS - Resolved and not repeated in this report

- 02-3 Depositing Within Twenty-Four Hours (Sheriff's Office)
(The Sheriff's Office no longer maintains a separate bank account.)
- 02-4 Detail support for Sheriff's Department Records Unavailable for Audit
- 02-6 Federal Aid Management
- 02-8 Expenditure Exceptions
- 02-9 Payroll Documentation
- 02-10 Personnel Files
- 02-12 Listing of Federal Equipment
- 02-14 Defacing of Voided Checks
- 02-17 Documentation for Journal Entries
- 05-2 County Funds Diverted to a Not-For- Profit Organization

COUNTY OF QUAY, NEW MEXICO

AUDITOR PREPARATION OF FINANCIAL STATEMENTS AND EXIT
CONFERENCE
AS OF JUNE 30, 2008

AUDITOR PREPARTION OF FINANCIAL STATEMENTS

The financial statements in the preceding section were prepared by the auditor. Management is responsible for a fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

EXIT CONFERENCE

An exit conference was held on February 23, 2009 in which these findings were discussed. Notice of this meeting was disclosed pursuant to the Open Meetings Act (Section 10-15-1, NMSA 1978). The meeting with all members of the County Commission was held in closed executive session as required by the Office of the NM State Auditor.

Those in attendance included Chairman, Mr. Franklin D. McCasland, and members of the Commission, Mr. Bill Curry and Mr. Robert Lopez. Also in attendance was Mr. Richard Primrose, County Manager, and Ms. Nadine Angel, County Treasurer. Auditor, Mr. R. Kelly McFarland, CPA presented the findings.