

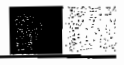
STATE OF NEW MEXICO
SAN MIGUEL COUNTY
Financial Statements
for the Year Ended
June 30, 2007,
and Independent
Auditors' Report

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for the Year Ended
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Year Ended June 30, 2007

NAME

TITLE

BOARD OF COUNTY COMMISSIONERS

Hugh H. Ley	Chairman
Kenneth C. Medina	Vice-Chairman
June J. Garcia	Commissioner
Albert Padilla	Commissioner
David R. Salazar	Commissioner

ELECTED OFFICIALS

Elaine Estrada	County Assessor
Paul Maez	County Clerk
Benji Vigil	County Sheriff
Alfonso Ortiz	County Treasurer

ADMINISTRATIVE OFFICIALS

Les W. J. Montoya	County Manager
Melinda Gonzales	Finance Director



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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners,
San Miguel County and
Mr. Hector H. Balderas
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of the State of New Mexico, San Miguel County (the County) as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the County's non-major governmental funds, fiduciary funds and budgetary comparisons, presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2007, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency'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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

Board of County Commissioners,
San Miguel County and
Mr. Hector H. Balderas
New Mexico State Auditor

referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund and fiduciary fund of the County, as of June 30, 2007, and the respective changes in financial position thereof, and the budget comparisons for the non-major governmental and the major enterprise fund, the Courthouse Remodeling major capital project fund and the 1997A and 2007 Series Bond Issue major debt service fund for the year then ended, in conformity with a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, as described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2007, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 4 through 11 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the basic financial statements, and the combining and individual fund financial statements and budgetary comparisons presented as supplemental information. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Also, the schedules listed as other supplementary schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the County, including the Financial Data Schedule and the Schedule of Changes in Assets and Liabilities for Agency funds. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Meyners + Company, LLC
November 6, 2007

As management of the County of San Miguel (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ending June 30, 2007.

Financial Highlights

During the fiscal year, the second one-eighth capital outlay gross receipts tax (GRT) was enacted, with an effective date of July 1, 2007. The enactment is equal to 1/8th of one percent (.125%) and is dedicated for the purpose of the design, construction, acquisition, improvement, renovation, rehabilitation, equipping or furnishing of public buildings or facilities, including parking facilities, the acquisition of land for the public buildings or facilities and the acquisition or improvement of the grounds surrounding public buildings or facilities; the payment of gross receipts tax revenue bonds issued pursuant to Chapter 4, Article 62, NMSA 1978, for infrastructure purposes; the construction, reconstruction or improvement of roads, streets or bridges, including acquisition of rights of way; and the design, construction, acquisition, improvement or equipping of a county jail, juvenile detention facility or other county correctional facility or multipurpose regional adult jail or juvenile detention facility.

In addition, the County intends to refinance a 2003 Revenue Bond with an outstanding principal balance of \$1,489,000. The purpose of the refinancing is to eliminate restrictive bond covenants on the existing date. The County has also applied for Public Project Revolving Fund Loan in the amount of \$3,800,000 in order to purchase a rock crusher, design and build a 25,000 square foot Public Works Facility and complete renovations at the existing County Courthouse.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

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

Overview of the Financial Statements - continued

Government-Wide Financial Statements - continued. The statement of activities presents information showing how the County's net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. For this purpose, the County considers revenues to be available if they are collected within 60 days of the current fiscal period. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

In addition to the General fund, the County maintains forty other individual governmental funds, of which thirty two are classified as Special Revenue funds, six are classified as Debt Service funds, and two are classified as Capital Projects funds. Information for the General fund, the Detention fund and the Solid Waste fund, all of which are considered to be major funds, is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Overview of the Financial Statements - continued

Fund Financial Statements – continued.

Governmental Funds - continued

The County adopts an annual appropriated budget for its General fund. A budgetary comparison statement for the General fund is presented on page 20. In addition, the County adopts an annual budget for other non-major funds. A budgetary comparison statement is presented in the aggregate and individually for all of those funds.

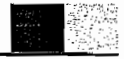
Fiduciary Funds

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County's primary government, assets exceed liabilities by \$15,336,343. The net asset category, invested in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt, is at a positive \$7,358,822. This is a result of bond proceeds that have not been expended during the fiscal year. Once the projects are in progress or are completed, the capital assets will increase. The County uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



Net Assets

Table A-1 summarizes the County's net assets for the fiscal year ending June 30, 2007.

Table A-1
The County's Net Assets

		Governmental Activities		Business-Type Activities		Total	
		FY2007	FY2006	FY2007	FY2006	FY2007	FY2006
Assets:							
Current and other assets	\$	10,742,064	10,916,042	-	-	10,742,064	10,916,042
Capital assets		<u>20,829,050</u>	<u>15,391,760</u>	<u>717,903</u>	<u>739,021</u>	<u>21,546,953</u>	<u>16,130,781</u>
Total assets	\$	<u>31,571,114</u>	<u>26,307,802</u>	<u>717,903</u>	<u>739,021</u>	<u>32,289,017</u>	<u>27,046,823</u>
Liabilities:							
Current liabilities	\$	3,752,645	2,817,771	-	-	3,752,645	2,817,771
Long-term liabilities		<u>12,482,126</u>	<u>11,487,092</u>	-	-	<u>12,482,126</u>	<u>11,487,092</u>
Total liabilities		16,234,771	14,304,863	-	-	16,234,771	14,304,863
Net Assets:							
Invested in capital assets, net of related debt		7,358,822	3,095,385	717,903	-	8,076,725	3,095,385
Restricted		-	-	-	-	-	-
Unrestricted		<u>7,977,521</u>	<u>8,907,554</u>	-	<u>739,021</u>	<u>7,977,521</u>	<u>9,646,575</u>
Total net assets		<u>15,336,343</u>	<u>12,002,939</u>	<u>717,903</u>	<u>739,021</u>	<u>16,054,246</u>	<u>12,741,960</u>
Total liabilities and net assets	\$	<u>31,571,114</u>	<u>26,307,802</u>	<u>717,903</u>	<u>739,021</u>	<u>32,289,017</u>	<u>27,046,823</u>

The significant change in net assets for FY07 as compared to FY06 was an increase of \$3,333,404 in capital assets. The increase in net assets was mainly due to the completion of the 4th Judicial District Courthouse, as well as completions of the Pecos EMS Ambulance Building, the Rowe Volunteer Fire Department Substation, the purchase of a new building to house the administrative offices and vehicle purchases.

Financial Analysis Of The County As A Whole - continued

Changes in Net Assets

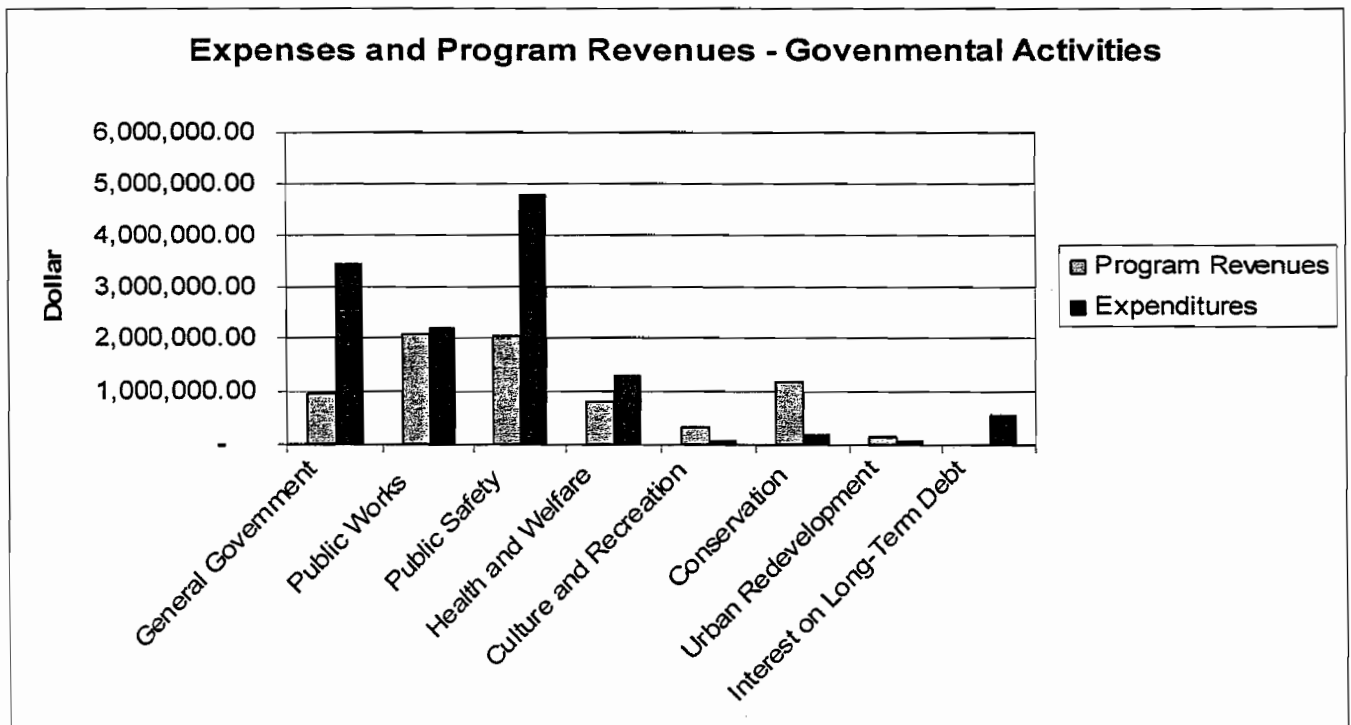
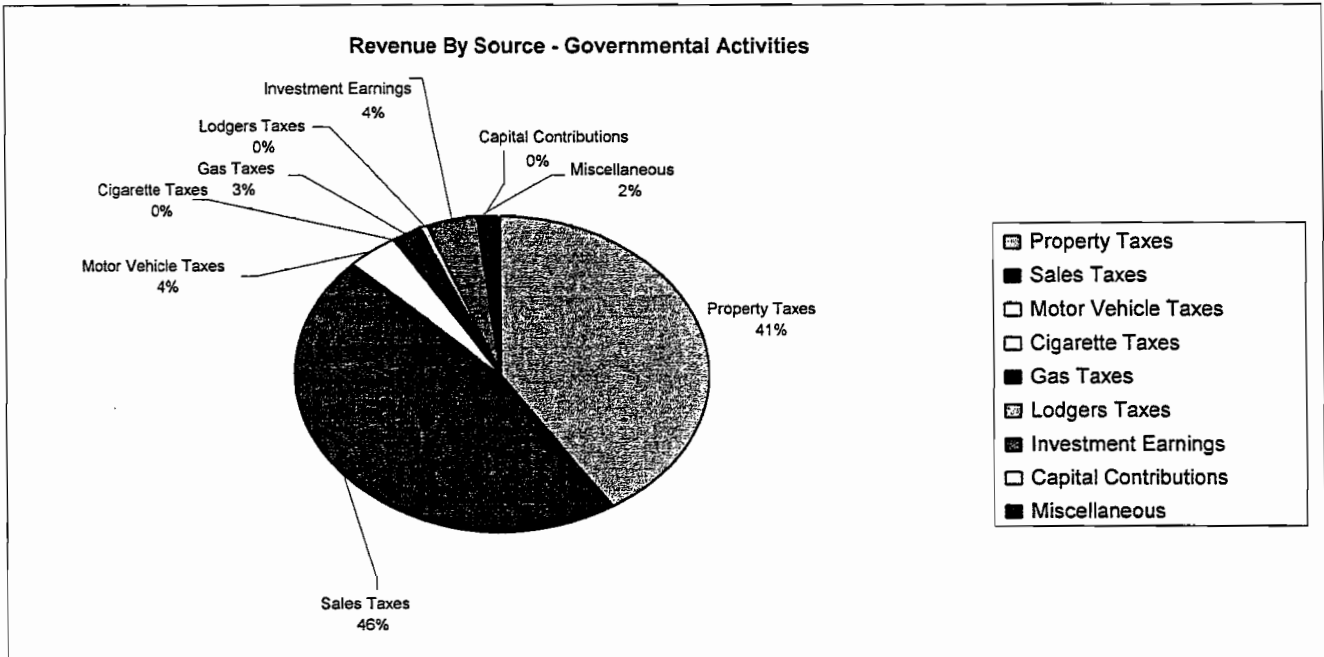
Table A-2 summarizes the County's changes in net assets for fiscal year 2007. Governmental activities during the year increased the County's net assets by \$3,238,396.

**Table A-2
Changes in the County's Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	FY2007	FY2006	FY2007	FY2006	FY2007	FY2006
Revenues:						
Program revenues:						
Charges for services	\$ 1,195,139	899,023	-	-	1,195,139	899,023
Operating grants & contributions	3,821,080	3,683,372	-	-	3,821,080	3,683,372
Capital grants & contributions	2,596,732	3,084,234	-	-	2,596,732	3,084,234
General revenues:						
Property taxes	3,364,049	4,838,594	-	-	3,364,049	4,838,594
Other taxes	4,376,332	1,424,294	-	-	4,376,332	1,424,294
Investment income	333,879	372,216	-	-	333,879	372,216
Other	<u>144,575</u>	<u>214,348</u>	-	-	<u>144,575</u>	<u>214,348</u>
Total revenues	15,831,786	14,516,081	-	-	15,831,786	14,516,081
Expenses:						
General government	3,443,261	5,414,264	-	-	3,443,261	5,414,264
Public works	2,211,711	1,412,512	-	-	2,211,711	1,412,512
Public safety	4,779,720	2,166,507	-	-	4,779,720	2,166,507
Health & welfare	1,305,998	1,356,167	-	-	1,305,998	1,356,167
Culture & recreation	58,810	72,380	-	-	58,810	72,380
Conservation	171,980	99,996	-	-	171,980	99,996
Urban redevelopment	65,837	13,066	-	-	65,837	13,066
Interest on long-term debt	556,073	669,880	-	-	556,073	669,880
Ribera Housing	-	-	<u>21,118</u>	<u>21,118</u>	<u>21,118</u>	<u>21,118</u>
Total expenses	12,593,390	11,204,772	21,118	21,118	12,614,508	11,225,890
Increase in net assets	\$ <u>3,238,396</u>	<u>3,311,309</u>	<u>(21,118)</u>	<u>(21,118)</u>	<u>3,217,278</u>	<u>3,290,191</u>

The County's revenues increased by 9.06 percent over FY06 for general government. The most significant change is due to the growth in gross receipt taxes. Expenditures increased by 12.39 percent over FY06 for general government. The main reason for the increase in expenditures can also be tied into the increase in gross receipt taxes allowing the County to fund higher operating costs throughout the County departments.

Financial Analysis Of The County As A Whole – continued



Financial Analysis of the County as a Whole - continued

For the fiscal year ending June 30, 2007, the County had \$4,920,215 invested in a broad range of capital assets. The capital assets include the completion of the District Court Annexation, the Rowe Fire Station, the Pecos Ambulance Building, the purchase of the Northern New Mexico Wood Business Park, continued work on the Detention Center Remodeling, road improvements, county fleet and fire equipment.

The County's fiscal year 2008 capital budget calls for \$10,561,397 million in capital projects, principally for the completion of construction of the district court annex, remodeling of the detention center, road projects, fire equipment and small projects. Not all projects will be completed in the fiscal year so the budgets may be rolled over to future budgets.

Financial Analysis of the County's Funds

Governmental Funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$6,742,579. Approximately 28.57 percent of this total constitutes unreserved general fund balances, which is available for spending at the county's discretion. The remainder of the fund balance is reserved for debt service or is classified as unreserved but must be used on the specific items as determined by the source.

Budget

As mentioned earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. For the General Fund Budget, total revenues budgeted were \$4,864,651 and actual revenues received were \$4,785,079, which is a negative variance of \$79,752. This included a negative variance of \$220,000 of vehicle replacement funds that we did not receive or expend during the year and are expected to take place in the next fiscal year. The variance was reduced by a positive variance of \$79,462 related to property taxes. Property taxes usually vary from budgeted revenue based on the rate of collection. The County typically collects 83% of the current year taxes during the fiscal year with the remaining amount collected in subsequent years. There was also a positive variance of \$35,847 related to investments which were budgeted at a conservative level. The significant variance between the original budget and the final budget is in the area of additional funding for capital outlay. The County was able to determine a cash flow

cycle and invest more of its money in short term instruments. There was also a positive variance for miscellaneous revenues which were attributed to reimbursements for costs incurred to abate a public nuisance and revenues from an agreement to digitize records.

The General Fund Budgeted Expenditures had a positive variance of \$450,400. The largest portion of the variance, \$220,000, was due to vehicle replacement appropriations, not being spent within the fiscal year. In addition, the Assessors, Treasurers and Information Technology Departments experienced savings in the salary and fringe benefit categories related to vacancy savings. The Human Resource Department experienced savings related to lower medical service costs related to vaccinations and physicals. There were also savings in the Planning & Zoning department due to the cost of fringe benefits being lower than anticipated. In addition, the Planning & Zoning department budgets monies in professional services in the event they need to hire an engineer or architect to perform a technical review on a subdivision, sand and gravel or wind tower permit. The department did not have a need for a technical review during the fiscal year.

Capital Assets

For FY07, there was approximately \$4,920,215 in additions. The additions were related to buildings for the District Court Annexation, the Detention Center Remodeling, the construction of the Rowe Fire Station and the Pecos Ambulance Building.

Debt

At year-end, the County had approximately \$13,332,717 in bonds and notes outstanding for governmental activities. There were three new loans during fiscal year 2007. These loans consist of a \$6,500,000 refinancing bond, a \$204,725 lease agreement for the Gallinas Volunteer Fire Department and \$268,665.52 loan for the purchase of an administrative office on 518 Valencia Street.

Requests for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Supervisor, Finance Office, 500 West National Third Floor, Las Vegas, NM 87701.

FINANCIAL STATEMENTS

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Net Assets

AS OF JUNE 30, 2007

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents (Note 2)	\$ 5,463,390	-	5,463,390
Accounts receivable (Note 3)	3,320,205	-	3,320,205
Prepaid assets	521,170	-	521,170
Other assets	136,998	-	136,998
Capital assets, net of accumulated depreciation (Note 4):			
Land	1,479,393	492,993	1,972,386
Construction in Progress	1,523,264	-	1,523,264
Buildings	12,499,299	224,910	12,724,209
Furniture and fixtures	325,883	-	325,883
Vehicles	1,409,662	-	1,409,662
Heavy equipment	44,556	-	44,556
Infrastructure	<u>3,546,993</u>	<u>-</u>	<u>3,546,993</u>
TOTAL ASSETS	\$ <u>30,270,813</u>	<u>717,903</u>	<u>30,988,716</u>
LIABILITIES AND NET ASSETS			
LIABILITIES:			
Accounts payable	\$ 843,236	-	843,236
Accrued payroll	173,316	-	173,316
Deferred revenue	287,434	-	287,434
Other liabilities	56,083	-	56,083
Accrued interest	104,173	-	104,173
Long-term liabilities (Note 5):			
Due within one year	988,102	-	988,102
Due in more than one year	<u>12,482,126</u>	<u>-</u>	<u>12,482,126</u>
TOTAL LIABILITIES	14,934,470	-	14,934,470
NET ASSETS:			
Invested in capital assets, net of related debt	7,358,822	717,903	8,076,725
Unrestricted	<u>7,977,521</u>	<u>-</u>	<u>7,977,521</u>
TOTAL NET ASSETS	<u>15,336,343</u>	<u>717,903</u>	<u>16,054,246</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>30,270,813</u>	<u>717,903</u>	<u>30,988,716</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Activities

YEAR ENDED JUNE 30, 2007

	Program Revenues			Primary Government		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
PRIMARY GOVERNMENT:						
GOVERNMENTAL ACTIVITIES:						
General government	\$ 3,443,261	316,967	652,928	-	(2,473,366)	(2,473,366)
Public works	2,211,711	744,106	65,078	1,291,421	(111,106)	(111,106)
Public safety	4,779,720	134,066	1,881,053	36,049	(2,728,552)	(2,728,552)
Health and welfare	1,305,998	-	820,412	-	(485,586)	(485,586)
Culture and recreation	58,810	-	348,412	-	289,602	289,602
Conservation	171,980	-	28,397	1,147,187	1,003,604	1,003,604
Urban redevelopment	65,837	-	24,800	122,075	81,038	81,038
Interest on long-term debt	556,073	-	-	-	(556,073)	(556,073)
TOTAL GOVERNMENTAL ACTIVITIES	12,593,390	1,195,139	3,821,080	2,596,732	(4,980,439)	(4,980,439)
BUSINESS-TYPE ACTIVITIES:						
Ribera Housing	21,118	-	-	-	-	(21,118)
TOTAL BUSINESS-TYPE ACTIVITIES	21,118	-	-	-	-	(21,118)
TOTAL PRIMARY GOVERNMENT	\$ 12,614,508	1,195,139	3,821,080	2,596,732	(4,980,439)	(5,001,557)
General revenues:						
Taxes:						
Property taxes	\$ 3,364,049				3,364,049	3,364,049
Sales taxes	3,814,078				3,814,078	3,814,078
Motor vehicle taxes	319,832				319,832	319,832
Cigarette taxes	2,023				2,023	2,023
Gas taxes	206,441				206,441	206,441
Lodgers taxes	33,958				33,958	33,958
Investment earnings	333,879				333,879	333,879
Gain on sale of equipment	1,791				1,791	1,791
Miscellaneous	142,784				142,784	142,784
Total general revenues	8,218,835				8,218,835	8,218,835
Change in net assets						
Net assets, beginning						
Restatements (Note 15)						
Net assets, as restated						
Net assets, ending						
Total primary government revenues	8,218,835				3,238,396	3,217,278
Change in net assets					12,002,939	12,741,960
Net assets, beginning					95,008	95,008
Restatements (Note 15)					12,097,947	12,836,968
Net assets, as restated					15,356,243	16,054,246
Net assets, ending					717,903	717,903

AS OF JUNE 30, 2007

	Major Funds										Total Governmental Funds	
	General Fund	Detention Center	Road Projects Special Approp.	Fire Districts	Courthouse Remodeling	Community Projects	1997A & 2007 Series Bond Issue	Other Governmental Funds				
ASSETS:												
Cash and cash equivalents (Note 2)	\$ 633,132	81,049	-	1,370,619	640,747	-	61,606	1,682,725			4,469,878	
Restricted cash	1,040	-	-	54,842	-	-	-	937,630			993,512	
Property taxes receivable	1,390,251	-	-	-	-	-	-	-			1,390,251	
Accounts receivable (Note 3)	51,688	138,819	838,425	24,214	3,014	470,867	-	342,793			1,869,820	
Federal receivable	-	-	-	34,945	-	-	-	25,189			60,134	
Prepaid expenses	121,053	3,975	-	-	-	-	346,190	49,952			521,170	
Other assets	-	-	-	6,960	-	-	-	130,038			136,998	
Due from other funds (Note 6)	1,263,067	2,316	-	29,988	-	-	-	81,078			1,376,449	
TOTAL ASSETS	\$ 3,460,231	226,159	838,425	1,521,568	643,761	470,867	407,796	3,249,405			10,818,212	
LIABILITIES:												
Accounts payable	85,698	54,066	289,128	108,088	106,913	112,805	-	86,588			843,236	
Accrued payroll	82,543	55,226	-	-	-	-	-	35,547			173,316	
Deferred revenue	1,339,115	-	106,196	14,537	-	-	-	166,701			1,626,549	
Debt service reserve	-	-	-	-	-	-	-	56,083			56,083	
Due to other funds	26,315	3,733	732,229	1,407	-	476,923	-	135,842			1,376,449	
TOTAL LIABILITIES	1,533,671	113,025	1,127,553	124,032	106,913	589,728		480,711			4,075,633	
FUND BALANCES:												
Reserved:												
Debt service	-	-	-	-	-	-	407,796	1,139,217			1,547,013	
Unreserved for:												
General Fund	1,926,560	-	-	-	-	-	-	-			1,926,560	
Special revenue funds	-	113,134	(289,128)	1,397,536	-	(118,861)	-	688,466			1,791,147	
Capital projects funds	-	-	-	-	536,848	-	-	941,011			1,477,859	
TOTAL FUND BALANCES	1,926,560	113,134	(289,128)	1,397,536	536,848	(118,861)	407,796	2,768,694			6,742,579	
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,460,231	226,159	838,425	1,521,568	643,761	470,867	407,796	3,249,405			10,818,212	

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Reconciliation of the Balance Sheet to the
Statement of Net Assets - Governmental Activities

YEAR ENDED JUNE 30, 2007

Total Fund Balance - Governmental Funds
(Governmental Fund Balance Sheet) \$ 6,742,579

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

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

The cost of capital assets is:	34,081,713
Accumulated depreciation is:	<u>(13,252,663)</u>
Total capital assets	20,829,050

Property tax receivables are not available to pay for current
expenditures and, therefore, are deferred in the funds.

Deferred property tax receivable	1,339,115
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Long-term and certain other liabilities, including bonds payable,
are not due and payable in the current period and therefore are
not reported as liabilities in the funds.

Long-term and other liabilities at year end consist of:

Debt (Bonds and notes payable)	(13,332,717)
Accrued interest	(104,173)
Compensated absences payable:	<u>(137,511)</u>
Total long-term and other liabilities	<u>(13,574,401)</u>

Net assets of governmental activities (Statement of Net Assets)	\$ <u>15,336,343</u>
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STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds

YEAR ENDED JUNE 30, 2007

	Major Funds										Total Governmental Funds	
	General Fund	Detention Center	Road Projects Special Approp.	Fire Districts	Courthouse Remodeling	Community Projects	1997A & 2007 Series Bond Issue	Other Governmental Funds				
REVENUES:												
Intergovernmental:												
Operating grants and contributions	\$ 673,918	714,698	-	386,208	-	238,622	-	810,152	-	-	-	2,823,598
Capital grants and contributions	-	36,049	1,291,421	-	1,147,187	-	-	122,075	-	-	-	2,596,792
Federal grants	-	-	-	49,945	-	91,960	-	855,577	-	-	-	997,482
Taxes:												
Property	3,205,807	-	-	-	-	-	-	-	-	-	-	3,205,807
Sales	440,910	451,281	-	182,478	-	470,867	-	2,268,542	-	-	-	3,814,078
Motor vehicle	81,107	-	-	-	-	-	-	238,725	-	-	-	319,832
Gas	-	-	-	-	-	-	-	206,441	-	-	-	206,441
Cigarette	508	-	-	-	-	-	-	1,515	-	-	-	2,023
Lodgers	-	-	-	-	-	-	-	33,958	-	-	-	33,958
Licenses and fees	277,552	70,407	-	-	-	-	-	847,180	-	-	-	1,195,139
Interest income	83,528	1,862	-	30,001	53,219	160	20,034	145,075	-	-	-	333,879
Miscellaneous	43,732	28,770	-	8,752	3,115	4,400	-	54,015	-	-	-	142,784
TOTAL REVENUES	4,807,062	1,303,067	1,291,421	657,384	1,203,521	806,009	20,034	5,583,255	20,034	806,009	20,034	15,671,753
EXPENDITURES:												
Current:												
General government	2,728,582	-	8,976	77,849	-	-	-	188,645	-	-	236,498	3,240,550
Public works	-	-	225,684	-	-	-	-	1,973,169	-	-	-	2,198,853
Public safety	589,671	2,200,930	-	304,860	-	-	-	655,582	-	-	-	3,751,049
Health and welfare	-	-	-	-	-	-	-	1,241,706	-	-	-	1,241,706
Culture and recreation	-	-	-	-	-	-	-	17,653	-	15,440	-	33,093
Conservation	-	-	-	-	169,311	-	-	2,669	-	-	-	171,980
Urban redevelopment	-	-	-	-	-	-	-	65,837	-	-	-	65,837
Capital outlay	291,028	37,297	850,496	585,213	2,787,779	823,250	-	1,348,066	-	-	-	6,723,129
Debt service:												
Principal payments	54,877	-	-	107,604	-	-	-	1,120,593	-	-	4,540,000	5,823,074
Interest payments	2,416	-	-	43,411	-	-	-	247,891	-	-	273,361	567,079
Bond issuance cost	-	-	-	-	-	-	-	-	-	-	24,848	24,848
TOTAL EXPENDITURES	3,666,580	2,238,227	1,085,156	1,118,937	2,957,090	838,690	5,074,707	6,861,811	5,074,707	838,690	5,074,707	23,841,198

See Notes to Financial Statements.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds - continued

	Major Funds										Total Governmental Funds
	General Fund	Detention Center	Road Projects Special Approp.	Fire Districts	Corr/house Remodeling	Community Projects	1997A & 2007 Series Bond Issue	Other Governmental Funds			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,140,482	(935,160)	206,265	(461,553)	(1,753,569)	(32,681)	(5,054,673)	(1,278,556)			(8,169,445)
OTHER FINANCING SOURCES (USES):											
Transfers in	67,915	1,233,846	-	-	700,000	-	365,159	1,967,395			4,334,315
Transfers out	(1,456,086)	(218,340)	-	(31,257)	-	-	(1,795,216)	(833,466)			(4,334,315)
Proceeds from issuance of debt	268,665	-	-	204,700	-	-	6,500,000	-			6,973,365
Proceeds from the sale of capital assets	1,721	-	-	-	-	-	-	-			1,721
TOTAL OTHER FINANCING SOURCES (USES)	(1,117,665)	1,015,506	-	173,443	700,000	-	5,069,943	1,133,929			6,975,156
NET CHANGES IN FUND BALANCE	22,817	80,346	206,265	(288,110)	(1,053,569)	(32,681)	15,270	(144,627)			(1,194,289)
FUND BALANCE, BEGINNING	1,903,743	32,788	(590,401)	1,685,646	1,590,417	(86,180)	392,526	2,913,321			7,841,860
RESTATEMENTS	-	-	95,008	-	-	-	-	-			95,008
FUND BALANCE, AS RESTATED	1,903,743	32,788	(495,393)	1,685,646	1,590,417	(86,180)	392,526	2,913,321			7,936,868
FUND BALANCE, ENDING	\$ 1,926,560	113,134	(289,128)	1,397,536	536,848	(118,861)	407,796	2,768,694			6,742,579

YEAR ENDED JUNE 30, 2007

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
to the Statement of Activities - Governmental Activities

YEAR ENDED JUNE 30, 2007

Net Changes in Fund Balances - Total Governmental Funds
(Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ (1,194,289)

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

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences	(23,562)
Decrease in accrued interest	11,006

Debt proceeds provided current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the Governmental Funds, but it reduces long-term debt in the Statement of Net Assets.

Debt payments	5,823,074
Debt proceeds	(6,973,365)

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Additionally, there was a transfer of capital assets between the general fund and two enterprise funds. In the current funds, the transfer for the general fund is recorded in the Statement of Activities. In the current period, these amounts were:

Capital outlay	6,723,129
Depreciation expense	<u>(1,285,839)</u>
Excess of capital outlay over depreciation expense	<u>5,437,290</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. In the current period, these amounts were:

Increase in Property Tax	<u>158,242</u>
Change in net assets of governmental activities (Statement of Activities)	<u>\$ 3,238,396</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Revenues and Expenditures -
Major Governmental Funds -
Budget and Actual (Non-GAAP Basis)

YEAR ENDED JUNE 30, 2007

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 3,075,152	3,122,276	3,201,738	79,462
Sales	380,000	440,000	437,761	(2,239)
Motor vehicle	70,000	70,000	67,842	(2,158)
Cigarette	700	700	508	(192)
Intergovernmental	55,000	144,000	140,915	(3,085)
Payment in lieu of taxes	510,000	524,000	525,120	1,120
Licenses and fees	288,550	296,700	326,345	29,645
Interest income	35,000	45,000	80,487	35,487
Miscellaneous	1,000	221,975	4,363	(217,612)
TOTAL REVENUES	4,415,402	4,864,651	4,785,079	(79,572)
EXPENDITURES:				
Current:				
General government:				
County commission	\$ -	-	-	-
County manager	334,676	343,841	340,834	3,007
Information technology	149,546	142,661	131,807	10,854
Finance and administration	223,182	233,195	233,189	6
General county	710,558	738,365	669,489	68,876
Human resources	112,089	88,605	79,219	9,386
Zoning	133,563	139,179	129,204	9,975
Legal	64,388	64,463	64,458	5
County clerk	356,659	353,154	351,754	1,400
Assessor/reappraisal	387,673	372,546	343,230	29,316
Treasurer	252,660	252,660	238,832	13,828
Maintenance	148,442	156,271	154,188	2,083
Capital outlay	93,850	390,484	119,312	271,172
Total general government	2,967,286	3,275,424	2,855,516	419,908
Public safety:				
Sheriff	572,905	601,847	581,519	20,328
Capital outlay	21,841	31,640	30,276	1,364
Total public safety	594,746	633,487	611,795	21,692
Culture and recreation				-
Debt service:				
Principal payments	35,629	8,800	-	8,800
Interest payments	2,504	-	-	-
Total Debt Service	38,133	8,800	-	8,800
TOTAL EXPENDITURES	3,600,165	3,917,711	3,467,311	450,400
OTHER FINANCING SOURCES (USES):				
Operating transfers in	51,257	122,965	67,915	(55,050)
Operating transfers out	(1,411,386)	(1,456,036)	(1,456,036)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,360,129)	(1,333,071)	(1,388,121)	(55,050)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES (USES)	\$ (544,892)	(386,131)	(70,353)	(315,778)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 544,892	386,131		



STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Revenues and Expenditures -
Major Special Revenue Funds -
Budget and Actual (Non-GAAP Basis)

YEAR ENDED JUNE 30, 2007

	DETENTION CENTER			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 736,900	640,980	657,391	16,411
Taxes - sales	360,000	400,000	429,889	29,889
Licenses and fees	100,000	100,000	62,932	(37,068)
Interest income	600	600	1,862	1,262
Miscellaneous	<u>-</u>	<u>1,218</u>	<u>28,770</u>	<u>27,552</u>
TOTAL REVENUES	1,197,500	1,142,798	1,180,844	38,046
EXPENDITURES - current:				
Public safety:				
Operating expenses	2,253,831	2,193,055	2,182,000	11,055
Capital outlay	<u>79,450</u>	<u>85,524</u>	<u>56,594</u>	<u>28,930</u>
TOTAL EXPENDITURES	2,333,281	2,278,579	2,238,594	39,985
OTHER FINANCING SOURCES				
Operating transfers in	1,233,846	1,233,846	1,233,846	
Operating transfers out	<u>(218,340)</u>	<u>(218,340)</u>	<u>(218,340)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,015,506</u>	<u>1,015,506</u>	<u>1,015,506</u>	<u>-</u>
FUND BALANCES - ENDING	\$ <u>(120,275)</u>	<u>(120,275)</u>	<u>(42,244)</u>	<u>(78,031)</u>
PRIOR YEAR CASH BALANCE				
REQUIRED TO BALANCE BUDGET	\$ <u>120,275</u>	<u>120,275</u>		

STATE OF NEW MEXICO

SAN MIGUEL COUNTY

Statement of Revenues and Expenditures -
Major Special Revenue Funds -
Budget and Actual (Non-GAAP Basis) - continued

YEAR ENDED JUNE 30, 2007

	ROAD PROJECTS - SPECIAL APPROPRIATION			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 983,076	1,924,476	559,192	(1,365,284)
Taxes - sales	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	983,076	1,924,476	559,192	(1,365,284)
EXPENDITURES - current:				
Public safety:				
Operating expenses	518,284	1,459,684	826,629	633,055
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	518,284	1,459,684	826,629	633,055
OTHER FINANCING SOURCES				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
FUND BALANCES - ENDING	\$ <u>464,792</u>	<u>464,792</u>	<u>(267,437)</u>	<u>(732,229)</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>(464,792)</u>	<u>(464,792)</u>		

STATE OF NEW MEXICO

SAN MIGUEL COUNTY

Statement of Revenues and Expenditures -
Major Special Revenue Funds -
Budget and Actual (Non-GAAP Basis) - continued

YEAR ENDED JUNE 30, 2007

	FIRE DISTRICTS			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 98,000	110,000	166,474	56,474
Intergovernmental	599,168	1,130,300	407,930	(722,370)
Interest income	-	300	23,936	23,636
Miscellaneous	-	-	2,909	2,909
TOTAL REVENUES	697,168	1,240,600	601,249	(639,351)
EXPENDITURES - current:				
Fire Marshall				
Public Safety				
Operating	27,963	58,168	19,900	38,268
Capital outlay	<u>15,920</u>	<u>14,628</u>	<u>2,249</u>	<u>12,379</u>
	43,883	72,796	22,149	50,647
VFD Project				
Public Safety				
Operating	624,673	526,061	11,011	515,050
Capital outlay	<u>-</u>	<u>293,612</u>	<u>115,000</u>	<u>178,612</u>
	624,673	819,673	126,011	693,662
Sapello/Rociada VFD				
Public Safety				
Operating	37,297	47,645	28,191	19,454
Capital outlay	<u>142,402</u>	<u>231,088</u>	<u>5,699</u>	<u>225,389</u>
	179,699	278,733	33,890	244,843
Gallinas VFD				
Public Safety				
Operating	48,587	59,784	45,823	13,961
Capital outlay	<u>232,216</u>	<u>357,533</u>	<u>284,907</u>	<u>72,626</u>
	280,803	417,317	330,730	86,587
Conchas VFD				
Public Safety				
Operating	86,266	95,424	76,104	19,320
Capital outlay	<u>60,248</u>	<u>94,243</u>	<u>-</u>	<u>94,243</u>
	146,514	189,667	76,104	113,563

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Revenues and Expenditures -
Major Special Revenue Funds -
Budget and Actual (Non-GAAP Basis) - continued

YEAR ENDED JUNE 30, 2007

	FIRE DISTRICTS - continued			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
EXPENDITURES - current - continued:				
El Pueblo VFD				
Public Safety				
Operating	\$ 37,376	56,839	44,903	11,936
Capital outlay	<u>108,260</u>	<u>114,561</u>	<u>714</u>	<u>113,847</u>
	145,636	171,400	45,617	125,783
Ilfeld VFD				
Public Safety				
Operating	26,588	39,999	36,226	3,773
Capital outlay	<u>56,989</u>	<u>51,477</u>	<u>5,659</u>	<u>45,818</u>
	83,577	91,476	41,885	49,591
Cabo Lucero VFD				
Public Safety				
Operating	33,678	34,150	26,868	7,282
Capital outlay	<u>46,110</u>	<u>48,674</u>	<u>5,621</u>	<u>43,053</u>
	79,788	82,824	32,489	50,335
Sheridan VFD				
Public Safety				
Operating	29,402	36,272	24,117	12,155
Capital outlay	<u>69,849</u>	<u>82,118</u>	<u>-</u>	<u>82,118</u>
	99,251	118,390	24,117	94,273
Trementina VFD				
Public Safety				
Operating	25,869	47,721	115,825	(68,104)
Capital outlay	<u>113,273</u>	<u>110,731</u>	<u>76,393</u>	<u>34,338</u>
	139,142	158,452	192,218	(33,766)
Emergency Fund VFD				
Public Safety				
Operating	-	16,660	15,718	942
Capital outlay	<u>108,083</u>	<u>91,423</u>	<u>43,747</u>	<u>47,676</u>
	108,083	108,083	59,465	48,618
Bernal/Tecolote VFD				
Public Safety				
Operating	39,058	43,145	40,413	2,732
Capital outlay	<u>29,864</u>	<u>33,259</u>	<u>9,850</u>	<u>23,409</u>
	68,922	76,404	50,263	26,141

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Revenues and Expenditures -
Major Special Revenue Funds -
Budget and Actual (Non-GAAP Basis) - continued

YEAR ENDED JUNE 30, 2007

	FIRE DISTRICTS - continued			
	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance From Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES - current - continued:				
Pecos Canyon VFD				
Public Safety				
Operating	\$ 36,554	43,415	34,600	8,815
Capital outlay	<u>20,666</u>	<u>26,567</u>	<u>-</u>	<u>26,567</u>
	57,220	69,982	34,600	35,382
Tecolote VFD				
Public Safety				
Operating	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-
La Placitas VFD				
Public Safety				
Operating	15,600	20,469	8,448	12,021
Capital outlay	<u>63,123</u>	<u>253,643</u>	<u>19,630</u>	<u>234,013</u>
	78,723	274,112	28,078	246,034
Rowe VFD				
Public Safety				
Operating	26,573	38,661	30,468	8,193
Capital outlay	<u>133,654</u>	<u>150,044</u>	<u>27,628</u>	<u>122,416</u>
	<u>160,227</u>	<u>188,705</u>	<u>58,096</u>	<u>130,609</u>
TOTAL EXPENDITURES	2,296,141	3,118,014	1,155,712	1,962,302
 OTHER FINANCING SOURCES:				
Proceeds from issuance of debt	205,000	205,000	320,643	115,643
Operating transfers in	-	-	-	-
Operating transfers out	<u>(31,257)</u>	<u>(31,257)</u>	<u>(31,257)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>173,743</u>	<u>173,743</u>	<u>289,386</u>	<u>115,643</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(1,425,230)</u>	<u>(1,703,671)</u>	<u>(265,077)</u>	<u>(1,438,594)</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>1,425,230</u>	<u>1,703,671</u>		

STATE OF NEW MEXICO

SAN MIGUEL COUNTY

Statement of Revenues and Expenditures -
Major Special Revenue Funds -
Budget and Actual (Non-GAAP Basis) - continued

YEAR ENDED JUNE 30, 2007

	COMMUNITY PROJECTS			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	1,847,874	3,003,634	349,502	(2,654,132)
Interest income	-	-	160	160
Miscellaneous	-	-	4,400	4,400
TOTAL REVENUES	1,847,874	3,003,634	354,062	(2,649,572)
EXPENDITURES - current:				
Public works:				
Operating	-	94,412	50,631	43,781
Capital outlay	200,933	2,970,321	858,954	2,111,367
TOTAL EXPENDITURES	200,933	3,064,733	909,585	2,155,148
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,646,941	(61,099)	(555,523)	494,424
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ (1,646,941)	61,099		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Net Assets - Proprietary Funds



AS OF JUNE 30, 2007

	<u>Business-Type Activities</u>
ASSETS:	
Non-current:	
Land	\$ 492,993
Buildings	823,610
Less accumulated depreciation	<u>(598,700)</u>
Total non-current	<u>717,903</u>
TOTAL ASSETS	\$ <u>717,903</u>
LIABILITIES:	
Current:	\$ -
Non-current:	<u>-</u>
TOTAL LIABILITIES	-
NET ASSETS:	
Invested in capital assets, net of related debt	<u>717,903</u>
TOTAL NET ASSETS	<u>717,903</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>717,903</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Revenues, Expenses and Changes in
Fund Net Assets - Proprietary Funds

YEAR ENDED JUNE 30, 2007

	<u>Business-Type Activities</u>
OPERATING REVENUES:	
Operating revenues	\$ _____ -
TOTAL OPERATING REVENUES	-
OPERATING EXPENSES:	
Operating expenses	<u>21,118</u>
TOTAL OPERATING EXPENSES	<u>21,118</u>
CHANGES IN NET ASSETS	(21,118)
NET ASSETS, BEGINNING	<u>739,021</u>
NET ASSETS, ENDING	\$ <u>717,903</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Cash Flows - Proprietary Funds

YEAR ENDED JUNE 30, 2007

	Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income (loss)	\$ _____ -
NET INCREASE (DECREASE) IN CASH	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	_____ -
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ _____ -
 RECONCILIATION OF OPERATING INCOME (LOSS)	
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (21,118)
 ADJUSTMENT TO RECONCILE OPERATING INCOME (LOSS)	
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Depreciation	_____ 21,118
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ _____ -

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Fiduciary Assets and Liabilities - Agency Funds

AS OF JUNE 30, 2007

	<u>Agency Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 238,893
Taxes receivable	<u>3,137,853</u>
TOTAL ASSETS	\$ <u>3,376,746</u>
LIABILITIES:	
Due to other agencies	\$ 1,569
Uncollected taxes	2,994,405
Accounts payable	4,535
Undistributed taxes	304,033
Deposits held in trust for others	<u>72,204</u>
TOTAL LIABILITIES	\$ <u>3,376,746</u>

NATURE OF ORGANIZATION

San Miguel County (County) was established by the laws of the Territory of New Mexico of 1876, under the provisions of the act now referred to as Section 4-1-1 of the New Mexico Statutes Annotated, 1978 Compilation. The County operates under the commission-manager form of government and provides the following services as authorized in the grant of powers: public safety (sheriff, fire, emergency medical, etc.), highways and streets, sanitation, health and social services, low-rent housing assistance, culture and recreation, public improvements, planning and zoning, property assessment, tax collection and general administrative services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements for the County have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standard Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund type in accordance with GASB No. 20. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

In June 1999, the GASB unanimously approved GASB No. 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. This statement provides for the most significant change in financial reporting in over 20 years and is scheduled for a phased implementation based on size of government.

The County implemented the provisions of GASB No. 34 effective July 1, 2001. As a part of this statement, there is a reporting requirement regarding the government's infrastructure (roads, bridges, etc.). Effective July 1, 2001, the County also implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*, and Statement No. 38, *Certain Financial Statement Note Disclosures*. The financial statements of the County have been prepared in conformity with GAAP as applied to governmental entities. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

1. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued*

◆ *Financial Reporting Entity*

The County's combined financial statements include the accounts of all County operations.

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

Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the County has included its housing authority, which does not have a separate governing board, as a department for financial reporting purposes.

The financial statements of the funds and account groups of the County include those administered programs that are controlled by or dependent on the County. Control by or dependence on the County is determined on the basis of budget adoption, the County's obligation to finance any deficits that may occur, and fiscal management.

The County is the trustee for the El Valle Foundation.

The Ribera Housing Authority was not considered a component unit of the County.

There were no component units for the County during fiscal year ended June 30, 2007, and the County is not a component unit of any other entity.

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

◆ **Government-wide and Fund Financial Statements**

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). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type. The County's police and fire protection, road maintenance, culture and recreation, and administration are classified as governmental activities. The County's utilities (water and sewer and solid waste) are classified as business activities. In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis by column, and is reflected on a full accrual, economic resources basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

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

The government-wide Statement of Activities reflects both the gross and net cost per functional category, which are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function. The County includes only one function (infrastructure financing). Inter-fund balances have been eliminated in the government-wide financial statements.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and/or delivery of goods for the funds' ongoing operation.

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

◆ ***Government-wide and Fund Financial Statements - continued***

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

The governmental fund statements are presented on a current financial resource and modified accrual basis of accounting. 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 column, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column on the government-wide presentation.

◆ ***Basis of Presentation - Fund Accounting***

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures or expenses and other financing sources or uses. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the accompanying financial statements. The various funds are reported by generic classification within the financial statements.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict the guidance of Governmental Accounting Standards Report. The County has elected not to follow subsequent private sector guidance.

GASB No. 34 sets forth minimum criteria for the determination of major funds based on a percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or governmental and enterprise combined.

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

◆ ***Basis of Presentation - Fund Accounting - continued***

The following fund types and account groups are used by the County:

Governmental Fund Types - All governmental fund types are accounted for on a spending or financial flow measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of available spendable resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period. Due to their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. However, they are reported as liabilities in the general long-term debt account group.

The major funds for the County are the General Fund, Detention Center Fund (a Special Revenue Fund) Road Projects Special Appropriation Fund (a Special Revenue Fund), Fire Districts Fund (a Special Revenue Fund), Courthouse Remodeling Fund (a Capital Projects Fund), Community Projects Fund (a Special Revenue Fund), and 1997A and 2007 Series Bond Issue (a Debt Service Fund).

General Fund. The General Fund is the County's primary operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. It is funded primarily through property, sales and other miscellaneous taxes.

Special Revenue Fund. The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. The authority for the creation of the special revenue funds is by state statute, executive order or specific authority.

Debt Service Fund. The Debt Service Fund is used to account for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

Capital Projects Fund. The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Capital project funding is comprised of bond proceeds, federal and state grants, and/or unrestricted general funds.

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

◆ **Basis of Presentation - Fund Accounting - continued**

Proprietary Funds:

Enterprise Funds - Enterprise funds are established to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges; and (b) when the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and/or delivering goods in connection with the proprietary fund's principal ongoing operations. The County's only proprietary fund (Ribera Housing) had no operating revenue or non-operating revenue for the year ending June 30, 2007. Ribera Housing was dormant and up for sale during the year ended June 30, 2007.

Fiduciary Funds:

Trust and Agency Funds - Trust and agency funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Trust and agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

◆ **Measurement Focus and Basis of Accounting**

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include gross receipts taxes, grants and appropriations. On an accrual basis, revenue from gross receipts taxes is recognized in the fiscal year for which the taxes are collected. Revenue from grants and appropriations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Property taxes should be recognized when levied.

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

◆ **Measurement Focus and Basis of Accounting - continued**

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Governmental fund types follow the modified accrual basis of accounting for financial statement purposes. Under the modified accrual basis of accounting, revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the fiscal period (available meaning collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, and amounts collected within 60 days after year end).

Revenues from grants that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Interest earned is accrued currently by the appropriate funds. Contributions, gross receipts tax and other monies held by other state and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when received and are not susceptible to accrual.

Expenditures, other than vacation, compensatory, and sick pay, are recorded when they are incurred. Expenditures charged to federal programs are recorded utilizing the cost principles prescribed or permitted by the various funding sources. Interest expense is recognized when paid. Total interest expense incurred during the year ended June 30, 2007 was \$556,073.

When both restricted and unrestricted net assets are available for expenses, unrestricted funds are applied first.

◆ **Budgetary Information**

Budgets are adopted on a basis not consistent with generally accepted accounting principles, except for the proprietary funds. Unused appropriations of funds of the current fiscal year may be carried over into the next fiscal year by budgeting those funds in the subsequent year's budget. Annual budgets are adopted for the general, special revenue, capital project, debt service and enterprise funds. Budgetary basis (cash basis) actual figures are provided in the financial statements to show actual budgetary basis results of operations for all governmental funds (budgeted and not budgeted).

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

◆ **Budgetary Information - continued**

The County follows required procedures in establishing budgetary data in the financial statements.

- The Finance Director submits to the Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at the County offices to obtain public comments.
- The budget is tentatively approved by the Commission, and the Department of Finance and Administration, Local Government Division, ultimately makes final approval.
- Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds and Debt Service Fund.

Amendments to the budget, including operating transfers, must follow the same process the original budget followed. Amendments made to the original budget are included in the budgetary comparison schedules of this report, which reflect actual to budget. The legal level of budgetary control is at the fund level.

Budgets and amendments to the budgets for all funds are adopted in a legally permissible manner. During the year, supplementary appropriations were necessary.

◆ **Cash and Cash Equivalents**

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty, and investments with maturities of three months or less. Cash and investments reported on the balance sheets are a combination of cash in bank, cash on hand, petty cash and certificates of deposit. The County uses a pooled cash and investments method of accounting for cash. Investments are recorded at cost, which approximates market value.

◆ **Investments**

State Statute Sections 6-10-44 and 6-10-10 (f), NMSA 1978, authorize the County Treasurer to invest in United States treasury certificates, United States bonds or negotiable securities of the United States, and bonds or negotiable securities of the State of New Mexico or of any county, municipality or school district with the advice and consent of the County Board of Finance. Investments are stated at fair value.

◆ **Receivables**

Receivables are reported net of an allowance for uncollectible accounts, if applicable. Based upon management's estimate, all receivables are deemed fully collectible.

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

◆ ***Property Taxes***

The County is responsible for assessing, collecting and distributing property taxes for both outside entities and its own operational and debt service purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments on November 10th of the year in which the tax bill is prepared and April 10th of the following year, with taxes becoming delinquent 30 days thereafter. Collections and remittance of County property taxes are accounted for in the County Treasurer Trust and Agency Funds. Therefore, revenues for budgetary purposes are recorded when taxes are distributed to the General Operating Fund.

◆ ***Interfund Transactions***

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for 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. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

◆ ***Capital Assets***

Capital assets, which include property, plant, equipment and infrastructure assets (consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and estimated useful life of more than one year. All purchased capital assets are valued at cost when historical records are available, and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

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

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities.

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

◆ **Capital Assets - continued**

Estimated 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 in years:

Infrastructure	10 - 80
Buildings and building improvements	15 - 40
Equipment, furniture and fixtures	5 - 10

The County has not made any significant software or hardware purchases requiring capitalization and depreciation in the last five years.

◆ **Compensated Absences**

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for the amounts is reported in governmental funds only if they are required to be paid out within 60 days of year-end.

◆ **Long-term Debt Obligations**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

◆ ***Fund Equity***

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

◆ ***Housing Authority Method of Accounting***

The Housing Authority prepares its financial statements using the accounting principles prescribed or permitted by the U.S. Department of Housing and Urban Development. As of June 30, 2004, HUD has adopted GAAP; therefore, the financial statements for the year ended June 30, 2007 are prepared using GAAP. However, the Multi-family Housing Project has been vacant since approximately 1997; therefore, no depreciation has been taken since the assets are vacant and dormant.

◆ ***Restricted and Unrestricted Resources***

Restricted resources are used for expenses only after unrestricted resources are depleted.

◆ ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS

◆ ***Investments***

The County has no investments at June 30, 2007.

◆ ***Interest Rate Risk***

The County's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

2. *CASH AND CASH EQUIVALENTS - continued*

◆ *Credit Risk*

The County's investments shall be in accordance with State Law, 6-10-10 and 6-10-10.1 NMSA 1978, including but not limited to the following: Treasury Bills, Notes, Bonds, Strips, and U.S. Government securities which are backed by the full faith and credit of the U.S. Government. Negotiable securities of the State of New Mexico or any county, municipality or school district with the advice and consent of the Board of Finance per 6-10-44 NMSA 1978, 6-10-10F NMSA 1978, 6-10-10 NMSA 1978.

◆ *Concentration of Credit Risk*

The County's investment policy places no limit on the amount the County may invest in any one issuer.

◆ *Custodial Credit Risk*

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's cash balances are not exposed to custodial credit risk. All are fully collateralized and the collateral is held in the County's name. The County is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to one half of the public money in each account (Section 6-10-17 NMSA 1978). The amounts of cash not collateralized as of June 30, 2007 is \$770,374.

2. CASH AND CASH EQUIVALENTS - continued

A summary of cash accounts and certificates of deposit at June 30, 2007 is as follows:

<u>Depository - Cash</u>	<u>Account Name</u>	<u>Type of Account</u>	<u>Bank Balances</u>
Bank of Las Vegas	Community Centers	Checking	\$ 1,506
Bank of Las Vegas	El Valle Foundation	Checking	7,508
Bank of Las Vegas	Employee Fund	Checking	2,732
Bank of Las Vegas	Federal Housing Authority	Checking	151,112
Bank of Las Vegas	Fire District Funds	Checking	1,543,297
Bank of Las Vegas	General Account	Checking	779,667
Bank of Las Vegas	Gross Receipts Taxes	Checking	338,674
Bank of Las Vegas	Indigent Fund	Checking	197,231
Bank of Las Vegas	Lodgers Tax	Checking	41,239
Bank of Las Vegas	Payroll Account	Checking	19,181
Bank of Las Vegas	Pecos - Prop. Tax Account	Checking	5
Bank of Las Vegas	SMC Detention Center	Checking	96,956
Bank of Las Vegas	SMC Inmate Trust Fund	Checking	14,205
Bank of Las Vegas	SMC - Mora Housing	Checking	57,165
Bank of Las Vegas	SMC Construction Project	Checking	261
Bank of Las Vegas	Payments in Protest	Savings	4,591
Bank of Las Vegas	General Fund	Certificate of Deposit	329,501
Bank of Las Vegas	SMC Treasurer	Certificate of Deposit	151,930
Bank of Las Vegas	SMC Treasurer	Certificate of Deposit	151,930
Bank of Las Vegas	El Valle Foundation	Certificate of Deposit	32,139
Bank of Las Vegas	El Valle Foundation	Certificate of Deposit	15,554
Total deposits and cash on hand			<u>3,936,384</u>

Total deposits at the Bank of Las Vegas	3,936,384
Less FDIC coverage	<u>200,000</u>
Total uninsured public funds	3,736,384
50% collateral requirement (Section 6-10017)	1,868,192

Depository collateral held for the State of New Mexico San Miguel County by
the Bank of Las Vegas, Las Vegas, NM

	<u>CUSIP #</u>	<u>Mature Date</u>	
FNMA Term Note	31359MQP1	1/28/2008	494,530
US Treasury Note	912828EZ9	3/31/2008	1,495,425
US Treasury Note	912828DR8	4/15/2010	489,530
US Treasury Note	912828EG1	9/15/2010	<u>486,525</u>
Total collateral			<u>2,966,010</u>
Over (under) collateralized			\$ <u>1,097,818</u>

2. CASH AND CASH EQUIVALENTS - continued

Depository - Cash	Account Name	Type of Account	Bank Balances
Bank of Albuquerque	SMC NM 2003 Bond Account	Money Market	\$ 51,462
Bank of Albuquerque	SMC NM 2003 Reserve Bond	Money Market	170,481
Bank of Albuquerque	NMFA 58th Supp(2004A) SM Reserve	Money Market	159,699
Bank of Albuquerque	NMFA 63rd Supp SM DS Reserve	Money Market	28,014
Bank of Albuquerque	NMFA 63rd Supp SM DS Program	Money Market	1,040
Bank of Albuquerque	NMFA 63rd Supp SM Rowe Prog	Money Market	38,054
Bank of Albuquerque	NMFA 50th Supp SM/Teconote	Money Market	12,007
Bank of Albuquerque	NMFA 61st Supp SMC Cnty Fire (Conchas)	Money Market	4,780
Bank of Albuquerque	NMFA Sub Lien 2005 SMC Debt Service	Money Market	177,890
Bank of Albuquerque	NMFA Sub Lien 2005 SMC Program	Money Market	294,002
Total deposits at Bank of Albuquerque			937,429

Total deposits at Bank of Albuquerque	937,429
Less FDIC coverage	-
Total uninsured public funds	937,429
50% collateral requirement (Section 6-10017)	468,715
Depository collateral held for the State of New Mexico San Miguel County by the Bank of Albuquerque, Albuquerque, NM	

	CUSIP #	Mature Date	
US Treasury Note	028846103	9/5/2090	410,696
US Treasury Note	028846699	9/5/2090	526,733
Total collateral			937,429
Over (under) collateralized			\$ 468,715

Depository - Cash	Account Name	Type of Account	Bank Balances
First National Bank	SMC Treasurer	Checking	\$ 277,413
First National Bank	General Fund	Certificate of Deposit	212,805
First National Bank	Detention Center	Certificate of Deposit	455,695
First National Bank	Courthouse	Certificate of Deposit	455,644
Total deposits at First National Bank			1,401,557

Total deposits at First National Bank	1,401,557
Less FDIC coverage	100,000
Total uninsured public funds	1,301,557
50% collateral requirement (Section 6-10-17)	650,779
Depository collateral held for the State of New Mexico San Miguel County by First National Bank, Las Vegas, NM	

	CUSIP #	Mature Date	
FHLB	36225DM76	3/20/2035	439,597
FRB	31374GVZ7	3/1/2023	40,938
FRB	31378UCY2	12/1/2027	232,807
FRB	31354RAE7	11/1/2023	8,029
FRB	31295MYW4	11/1/1931	16,157
FRB	31365HGH3	2/1/1931	30,024
FRB	31371LAF6	7/1/2013	668,503
Total collateral			1,436,055
Over (under) collateralized			\$ 785,277

2. *CASH AND CASH EQUIVALENTS - continued*

Bank to Financial Statement Cash Reconciliation:

Total cash in bank	\$	6,275,370
Add:		
Cash on hand		400
Deposits in transit		64,240
Less:		
Outstanding warrants		(591,397)
Outstanding checks		<u>(46,330)</u>
Total reconciled cash		5,702,283
Less cash in fiduciary funds		<u>(238,893)</u>
Financial Statement reconciled cash balance	\$	<u>5,463,390</u>

3. **RECEIVABLES**

Receivables as of June 30, 2007 consisted of the following. All receivables are net of allowance for doubtful accounts.

	Property Taxes	Federal	Other	Total
Governmental funds:				
General Fund, net of allowance of \$69,483	\$ 1,390,251	-	51,688	1,441,939
Detention Fund	-	-	138,819	183,819
Road Projects Special Approp.	-	-	838,425	838,425
Fire Districts	-	34,945	24,214	59,159
Court House Remodeling	-	-	3,014	3,014
Other governmental funds	-	<u>25,189</u>	<u>813,660</u>	<u>838,849</u>
Total governmental activity funds	\$ <u>1,390,251</u>	<u>60,134</u>	<u>1,869,820</u>	<u>3,320,205</u>

The Solid Waste Fund is part of other governmental funds. Receivables are net of an allowance of \$1,624,775 at June 30, 2007.

4. CAPITAL ASSETS

A summary of changes in capital assets follows:

<u>Governmental Activities</u>	<u>Balance 30-Jun-06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 30-Jun-07</u>
Capital assets not being depreciated:				
Land	\$ 1,199,743	279,650	-	1,479,393
Construction in Progress	-	1,523,264	-	1,523,264
Capital assets being depreciated:				
Buildings and improvements	16,461,729	3,582,601	(80,000)	19,964,330
Infrastructure	3,104,315	680,154	-	3,784,469
Vehicles	5,304,667	500,867	(20,979)	5,784,555
Furniture, fixtures and equipment	755,359	156,593	-	911,952
Heavy equipment	<u>633,750</u>	<u>-</u>	<u>-</u>	<u>633,750</u>
Total capital assets being depreciated	<u>26,259,820</u>	<u>4,920,215</u>	<u>(100,979)</u>	<u>31,079,056</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,052,116)	(492,915)	80,000	(7,465,031)
Infrastructure	(146,528)	(90,948)	-	(237,476)
Vehicles	(3,806,479)	(589,393)	20,979	(4,374,893)
Furniture, fixtures and equipment	(489,069)	(97,000)	-	(586,069)
Heavy equipment	<u>(573,611)</u>	<u>(15,583)</u>	<u>-</u>	<u>(589,194)</u>
Total accumulated depreciation	<u>(12,067,803)</u>	<u>(1,285,839)</u>	<u>100,979</u>	<u>(13,252,663)</u>
Total capital assets being depreciated, net	<u>14,192,017</u>	<u>3,634,376</u>	<u>-</u>	<u>17,826,393</u>
Governmental activities capital assets, net	\$ <u>15,391,760</u>	<u>3,914,026</u>	<u>-</u>	<u>20,829,050</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

4. CAPITAL ASSETS - continued

<u>Business-Type Activities - Ribera Housing:</u>	<u>Balance 30-Jun-06</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 30-Jun-07</u>
Capital assets not being depreciated:				
Land	\$ 492,993	-	-	492,993
Capital assets being depreciated:				
Structures/equipment	823,610	-	-	823,610
Less accumulated depreciation for:				
Structures/equipment	<u>(577,582)</u>	<u>(21,118)</u>	<u>-</u>	<u>(598,700)</u>
Total capital assets being depreciated, net	<u>246,028</u>	<u>(21,118)</u>	<u>-</u>	<u>224,910</u>
Business-type activities capital assets, net	\$ <u>739,021</u>	<u>(21,118)</u>	<u>-</u>	<u>717,903</u>

Depreciation expense was charged to the functions of the primary government, as follows:

Governmental activities:	
General government	\$ 154,301
Public safety	1,028,671
Public works	12,858
Health and welfare	64,292
Culture and recreation	<u>25,717</u>
	1,285,839
Business-type activities:	
Ribera housing	<u>21,118</u>
Total depreciation expense	\$ <u>1,306,957</u>

5. **LONG-TERM DEBT**

The changes to long-term debt during the year ended June 30, 2006 are as follows:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Amounts Due</u> <u>Within</u> <u>One Year</u>
Notes payable	\$ 2,919,967	473,365	(351,772)	3,041,560	345,545
Bonds payable	9,262,459	6,500,000	(5,471,302)	10,291,157	505,046
Compensated absences	<u>113,949</u>	<u>138,760</u>	<u>(115,198)</u>	<u>137,511</u>	<u>137,511</u>
Total long-term debt	\$ <u>12,296,375</u>	<u>7,112,125</u>	<u>(5,938,272)</u>	<u>13,470,228</u>	<u>988,102</u>

The general fund is typically used to liquidate other long-term debt, such as compensated absences.

◆ **Notes Payable**

On May 1, 1996, the County entered into a note payable with the State Board of Finance with an original balance of \$38,000. This agreement is for a period of 20 years, with annual payments of \$1,900. The balance at June 30, 2007 is \$17,100.

On May 14, 1996, the County entered into a note payable with the State Board of Finance with an original balance of \$68,982. This agreement is for a period of 10 years, with annual payments of \$6,898. The balance at June 30, 2007 is \$6,898.

On September 26, 2002, the County entered into a note payable with New Mexico Finance Authority with an original balance of \$50,000. This agreement is for a period of 10 years, with annual payments of \$4,956. The balance at June 30, 2007 is \$30,150.

On March 28, 2003, the County entered into a note payable with New Mexico Finance Authority with an original balance of \$250,000. This agreement is for a period of 10 years, with annual payments of \$23,549. The balance at June 30, 2007 is \$155,500.

On August 29, 2003, the County entered into a note payable with New Mexico Finance Authority with an original balance of \$250,000. This agreement is for a period of 10 years, with annual payments of \$6,255. The balance at June 30, 2007 is \$228,822.

5. *LONG-TERM DEBT - continued*

◆ *Notes Payable - continued*

On September 10, 2004, the County entered into an agreement with USDA with an original balance of \$150,360. This agreement is for a period of 25 years, with annual payments of \$5,000. The balance at June 30, 2007 is \$140,360.

On November 1, 2004, the County entered into an agreement with New Mexico Finance Authority with an original balance of \$225,000. This agreement is for a period of 20 years, with annual payments of \$10,059. The balance at June 30, 2007 is \$204,202.

On November 4, 2005, the County entered into a note payable with New Mexico Finance Authority with an original balance of \$277,778. This agreement is for a period of 15 years, with annual payments of \$51,659. The balance at June 30, 2007 is \$171,493.

On April 29, 2005, the County entered into an agreement with New Mexico Finance Authority with an original balance of \$75,000. This agreement is for a period of 15 years, with annual payments of \$6,186. The balance at June 30, 2007 is \$62,040.

On May 1, 2006, the County entered into an agreement with New Mexico Finance Authority with an original balance of \$1,763,889. This agreement is for a period of 9 years, with annual payments of \$84,894. The balance at June 30, 2007 is \$1,513,808.

On May 19, 2006, the County entered into an agreement with New Mexico Finance Authority with an original balance of \$55,800. This agreement is for a period of 3 years, with annual payments of \$17,978. The balance at June 30, 2007 is \$37,822.

On December 12, 2006, the County entered into an agreement with First National Bank with an original balance of \$268,665. This agreement is for a period of 10 years, with annual payments of \$30,342. The balance at June 30, 2007 is \$268,665.

On December 18, 2006, the County entered into an agreement with The Bank of Las Vegas with an original balance of \$204,700. This agreement is for a period of 10 years, with annual payments of \$26,935. The balance at June 30, 2007 is \$204,700.

◆ *Bonds*

Gross Receipts Tax Refunding & Improvement Bonds – The Series 1997 Bonds are being issued to pay previously unreimbursed or incurred but unpaid costs for construction, purchasing, furnishing, equipping, rehabilitating, making additions to or making improvements to the County Law Enforcement Facility.

5. *LONG-TERM DEBT - continued*

◆ *Bonds*

Gross Receipts Tax Refunding & Improvement Bonds – continued:

The Series 1997 Bonds were issued pursuant to Section 4-62-1 through 4-62-10, NMSA 1978, as amended.

The Series 1998 Bonds are being issued for the purpose of providing funds for acquiring, extending, enlarging, bettering, repairing, improving, constructing, purchasing, furnishing, equipping and rehabilitating fire districts within the County.

The Series 1998 Bonds are issued pursuant to County Ordinance No. 6-9-98-F1, adopted on June 9, 1998, and County Resolution No. 5-12-98F-2, adopted on May 12, 1998.

Gross Receipts Tax NMFA – The Series 2003 Bonds are being used for the purpose of County infrastructure improvements, including defraying the cost of planning, designing, repairing, replacing, constructing or acquiring County infrastructure improvements, including the renovation of the County’s Courthouse and the construction of a courthouse annex.

The Series 2003 Bonds are issued pursuant to County Ordinance No. 7-21-03, adopted on July 21, 2003.

Gross Receipts Tax Refunding and Improvement Bonds – The Series 2007 Bonds are being used to provide funds for the refunding and discharging of the County’s outstanding 1997A and 1997B Gross Receipts Tax Refunding and Improvement Revenue Bonds; acquiring land, constructing, purchasing, furnishing, equipping, rehabilitating, making additions to or making improvements to one or more public buildings, or purchasing or improving any ground related thereto, or combination of the foregoing within the County; and paying all costs incidental thereto and to the issuance of the Bonds.

The general revenue bonds outstanding as of June 30, 2007, are comprised of the following issues:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>
Series 1998A	177,900	4.75%	June 23, 2018
Series 1998B	281,200	4.75%	June 23, 2018
I-Series 2003	1,489,000	3.98%	May 1, 2018
I-Series 2003	1,843,057	4.30%	July 1, 2025
Series 2007	<u>6,500,000</u>	4.00% - 4.25%	July 1, 2027
Totals	\$ <u>10,291,157</u>		

5. *LONG-TERM DEBT - continued*

◆ *Bonds – continued*

The following is a schedule of the future minimum payments under lease purchase agreements and bonds, together with the present value of the net minimum lease payments at June 30, 2007:

Year Ended June 30,	Notes	Bonds	Subtotal	Interest	Total
2008	\$ 345,545	505,046	850,591	467,163	1,317,754
2009	348,393	463,019	811,412	480,286	1,291,698
2010	338,605	478,029	816,634	452,127	1,268,761
2011	288,814	491,475	780,289	423,133	1,203,422
2012	297,783	520,229	818,012	394,184	1,212,196
2013 - 2018	1,124,718	2,884,594	4,009,312	1,502,825	5,512,137
2019 - 2023	189,636	2,601,860	2,791,496	791,684	3,583,180
2024 - 2028	108,066	2,231,905	2,339,971	262,010	2,601,981
2029 - 2033	-	115,000	115,000	2,444	117,444
Total	\$ <u>3,041,560</u>	<u>10,291,157</u>	<u>13,332,717</u>	<u>4,775,856</u>	<u>18,108,573</u>

◆ *Operating Leases*

During the year ended June 30, 2007, the County leased equipment under operating leases. The County's expenditures on those leases for the year ended June 30, 2007 was \$106,884. The County's future minimum lease commitments at June 30, 2007 are as follows:

Year Ended June 30,	Operating Leases
2007	\$ 128,565
2008	128,565
2009	112,715
2010	90,402
2011	26,590
2012 and thereafter	-
Total	\$ <u>486,837</u>

6. ***DUE FROM AND DUE TO OTHER FUNDS***

These amounts represent interfund receivables and payables arising from interfund transactions within the County. These balances are netted as part of the reconciliation to the government-wide columnar presentation. Interfund receivables and payables as of June 30, 2007 consist of the following:

◆ ***Due From Other Funds***

Amount Due From:	
Fund Type	Amount
General Fund	\$ 1,263,067
Special Revenue Funds	111,066
Capital Projects Funds	2,316
Debt Service Funds	-
Total All Funds	\$ <u>1,376,449</u>

◆ ***Due To Other Funds***

Amount Due To:	
Fund Type	Amount
General Fund	\$ 26,315
Special Revenue Funds	1,311,623
Capital Projects Funds	38,011
Debt Service Funds	500
Total All Funds	\$ <u>1,376,449</u>

The amounts due to/from are primarily the result of revenue transfers between funds which are outstanding at year end. All of the balances are expected to clear during fiscal year 2008.

7. *TRANSFERS IN/OUT*

General fund transfers to other funds were to fund debt service payments and capital projects, and to reimburse the General fund for cost incurred on behalf of other funds. Transfers as of June 30, 2007 consist of the following:

	Transfers in:	Transfers out:					Total
		General Fund	Detention Fund	Fire Districts	1997A & 2007 Series Bond Issue	Non-major Funds	
General Fund – Major	\$ 67,915	(36,658)	-	(31,257)	-	-	-
Detention Fund – Major	1,233,846	(936,286)	-	-	-	(297,560)	-
Courthouse Remodeling – Major	700,000	(100,000)	-	-	(600,000)	-	-
1997A & 2007 Series Bond Issue - Major	365,159	-	-	-	-	(365,159)	-
Non-major funds	<u>1,967,395</u>	<u>(383,092)</u>	<u>(218,340)</u>	<u>-</u>	<u>(1,195,216)</u>	<u>(170,747)</u>	<u>-</u>
Total	\$ <u>4,334,315</u>	<u>(1,456,036)</u>	<u>(218,340)</u>	<u>(31,257)</u>	<u>(1,795,216)</u>	<u>(833,466)</u>	<u>-</u>

8. BUDGETARY COMPARISONS

The Combined Statement of Revenues and Expenditures - Budget (non-CAAP Budgetary Basis) and Actual - General, Special Revenue, Capital Projects Debt Service is presented in accordance with the state's legal budgetary basis and, therefore, includes encumbrances as current period expenditures and excludes expenditures made on prior year encumbrances. The following presentation reconciles the differences between this basis and GAAP.

	General Fund	Detention Fund	Road Projects Special Approp.	Fire Districts	Courthouse Remodeling	Community Projects	1997A & 2007 Series Bond Issue
Revenues:							
Non-CAAP budgetary basis	\$ 4,785,079	1,180,845	559,192	601,248	1,194,862	354,062	20,034
Change in accounts and interest receivable	1,441,938	138,819	838,425	24,214	3,015	470,867	-
Audit adjustments - accruals	(1,419,955)	(16,597)	(106,196)	31,922	5,644	(18,920)	-
Revenues - GAAP basis	\$ 4,807,062	1,303,067	1,291,421	657,384	1,203,521	806,009	20,034
Expenditures:							
Non-CAAP budgetary basis	\$ 3,467,311	2,238,594	826,629	1,155,714	2,850,176	909,585	5,049,859
Accounts payable	35,647	54,066	289,129	88,088	106,914	112,804	-
Audit adjustments - accruals	163,622	(54,433)	(30,602)	(124,865)	-	(183,699)	24,848
Expenditures - GAAP basis	\$ 3,666,580	2,238,227	1,085,156	1,118,937	2,957,090	838,690	5,074,707

8. BUDGETARY COMPARISONS - continued

	SPECIAL REVENUE FUNDS							
	Road	Solid Waste	SMC Health Facility	Forest Reserve Title III	Farm and Range	DWI Allocation	DWI Grant	Underage Drinking
Revenues:								
Non-GAAP budgetary basis	\$ 463,477	868,914	-	17,830	3,208	109,804	14,227	-
Change in accounts and interest receivable	39,789	2,024	-	-	-	33,404	-	-
Audit adjustments - accruals	-	-	-	-	-	-	8,750	-
Revenues - GAAP basis	\$ 503,266	870,938	-	17,830	3,208	143,208	22,977	-
Expenditures:								
Non-GAAP budgetary basis	\$ 735,253	780,217	-	17,653	2,783	127,034	17,937	-
Accounts payable	-	-	-	-	-	-	-	-
Audit adjustments - accruals	(11,583)	477,361	-	-	(114)	(1,133)	3,534	-
Expenditures - GAAP basis	\$ 723,670	1,257,578	-	17,653	2,669	125,901	21,471	-

8. BUDGETARY COMPARISONS - continued

	SPECIAL REVENUE FUNDS							
	Community DWI Program	DWI Offenders Fee	Education and Enforcement	Child Restraint	WIIPP	Recording Equipment	Recreation	Legislative Appropriations
Revenues:								
Non-GAAP budgetary basis	\$ 9,091	13,700	-	14,850	7,000	24,516	255	-
Change in accounts and interest receivable	-	-	-	5,168	-	-	-	-
Audit adjustments - accruals	1	-	-	-	-	-	1,260	-
Revenues - GAAP basis	\$ 9,092	13,700	-	20,018	7,000	24,516	1,515	-
Expenditures:								
Non-GAAP budgetary basis	\$ 12,909	15,628	-	21,673	6,730	17,744	-	-
Accounts payable	-	-	-	152	-	4,536	-	-
Audit adjustments - accruals	9,523	(104)	-	-	-	-	-	-
Expenditures - GAAP basis	\$ 22,432	15,524	-	21,825	6,730	22,280	-	-

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

8. BUDGETARY COMPARISONS - continued

	SPECIAL REVENUE FUNDS									
	Beautification	Lodger's Tax	Indigent	Reappraisal	San Jose Community Center	Emergency Medical Services	Bureau of Justice	Law Enforcement		
Revenues:										
Non-GAAP budgetary basis	\$ -	32,238	658,708	64,858	13	105,165	300	25,672		
Change in accounts and interest receivable	-	2,470	4,725	-	(4)	-	-	-		
Audit adjustments - accruals	-	-	-	-	-	-	9,976	1,242		
Revenues - GAAP basis	\$ -	34,708	663,433	64,858	9	105,165	10,276	26,914		
Expenditures:										
Non-GAAP budgetary basis	\$ -	31,544	546,377	48,084	-	14,469	11,119	30,350		
Accounts payable	-	-	-	-	-	2,321	-	-		
Audit adjustments - accruals	-	(3,645)	(51,004)	(14,298)	-	-	(619)	57,052		
Expenditures - GAAP basis	\$ -	27,899	495,373	33,786	-	16,790	10,500	87,402		

8. BUDGETARY COMPARISONS - continued

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS		
	CDBG	Courthouse Renovation	Ambulance/ Medical Service Fund	Section 8 Housing	Professional Development	CDGB 2006	Road and Health Projects	Detention Center	Capital Outlay
Revenues:									
Non-GAAP budgetary basis	\$ -	-	-	775,988	19,038	-	-	65,190	-
Change in accounts and interest receivable	-	-	-	-	-	25,189	-	-	-
Audit adjustments - accruals	-	122,075	400,000	46,553	(968)	-	-	5,695	-
Revenues - GAAP basis	\$ -	122,075	400,000	822,541	18,070	25,189	-	70,885	-
Expenditures:									
Non-GAAP budgetary basis	\$ -	-	-	820,411	968	63,160	10,246	1,286,507	-
Accounts payable	-	-	-	-	-	-	-	-	-
Audit adjustments - accruals	-	-	421,139	(988)	(968)	2,677	(1)	(1)	(1)
Expenditures - GAAP basis	\$ -	-	421,139	819,423	-	65,837	10,245	1,286,506	(1)

8. BUDGETARY COMPARISONS - continued

	DEBT SERVICE FUNDS					Total Governmental Funds
	SMC Debt Service	1997 Series B Bond Issue	1998 Series A Bond Issue	1998 Series B Bond Issue	2003 CRT NMFA	
Revenues:						
Non-GAAP budgetary basis	\$ 986,695	7,778	-	-	560,999	13,544,836
Change in accounts and interest receivable	7,980	-	-	-	18,412	3,056,439
Audit adjustments - accruals	-	-	-	-	-	(929,522)
Revenues - GAAP basis	\$ 994,675	7,778	-	-	579,411	15,671,753
Expenditures:						
Non-GAAP budgetary basis	\$ 60,699	741,540	-	-	546,671	22,465,574
Accounts payable	-	-	-	-	-	693,657
Audit adjustments - accruals	267	-	-	-	1	681,967
Expenditures - GAAP basis	\$ 60,966	741,540	-	-	546,672	23,841,198



9. INSURANCE COVERAGE

The County is exposed to various risks of loss from 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 Self-Insurers' Fund. The following is a summary of some of the more significant insurance coverage information related to the County.

Coverage provided to the County through the New Mexico Self-Insurers' Fund 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 per occurrence and liability losses are subject to a limit of \$350,000 per occurrence. Law enforcement liability, public officials' errors and omissions, and foreign jurisdiction are all individually subject to \$250,000 per occurrence / \$500,000 aggregate.

10. DEFICIT FUND EQUITY

The following special revenue funds have a deficit balance for the year ended June 30, 2007:

Road Projects Special Approp.	\$ (289,128)	Community DWI	\$ (16,505)
SMC Health Facility	\$ (688)	Child Restraint	\$ (6,048)
DWI Grant	\$ (21,962)	Legislative App.	\$ (10,175)
Community Projects	\$ (118,861)	Ambulance/Medical Services	\$ (21,139)
Underage Drinking	\$ (2,716)		

The County expects that the fiscal year 2008 operating revenues will be sufficient to cover the deficit.

11. RESERVED FUND BALANCES

Reservation of fund balances of governmental funds are established to either: (1) satisfy legal covenants that require that a portion of the fund balance be segregated, or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below:

Reserved for debt service – The reserve for debt service was created to segregate a portion of the fund balance account for debt service, including both principal payments and interest payments. The reservation was established to satisfy legal restrictions imposed by various bond agreements.

12. RETIREMENT PLAN

◆ *PERA Plan Description*

Substantially all of the County's full-time employees participate in a public employee retirement system authorized under the Public Employees' Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan.

The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. A copy of that report may be obtained by writing to PERA, P.O. Box 2123, Santa Fe, New Mexico 87504-2123.

◆ *Funding Policy*

Plan members are required to contribute 7% of their gross salary. The County is required to contribute 7% to 10%, depending upon the division of the gross covered salary. The contribution requirements of plan members and the Department are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the years ended June 30, 2007, 2006 and 2005 were \$288,829, \$250,886 and \$226,689, respectively, equal to the amount of the required contributions for each year.

13. RETIREE HEALTH CARE ACT CONTRIBUTIONS

The Retiree Health Care Act (Act) (Chapter 10, Article 7C NMSA 1978) provides comprehensive core group health insurance for persons who have retired from certain public service in New Mexico. The Retiree Health Care Authority is the administrator of the plan. The purpose is to provide eligible retirees, their spouses, dependents and surviving spouses and dependents with health insurance consisting of a plan, or optional plans, of benefits that can be purchased by funds flowing into the Retiree Health Care Fund and be co-payments or the out-of-pocket payments of eligible retirees.

Monies flow to the Retiree Health Care Fund on a pay-as-you-go basis from eligible employers and eligible retirees. Eligible employers consist of institutions of higher education, school districts or other entities participating in the Public School Insurance Authority, state agencies, state courts, magistrate courts, municipalities or counties which are affiliated under or covered by the Education Retirement Act, Public Employees Retirement Act, Volunteer Firefighters Retirement Act, Judicial Retirement Act or the Magistrate Retirement Act.

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf, unless that person retires on or

13. RETIREE HEALTH CARE ACT CONTRIBUTIONS - continued

before July 1, 1995, in which event the time period for contributions becomes the time between July 1, 1990 and the date of retirement; or (2) retirees defined by the Act who retired prior to July 1, 1990, and former legislators who served at least two years.

Each participating employer makes contributions to the fund in the amount of 1.3 percent of each participating employee's annual salary. Each participating employee contributes to the fund an employee contribution equal to .65 percent of the employee's annual salary. Each participating retiree pays a monthly premium for the medical plus basic life plan and an additional participation fee of five dollars (\$5.00) if the eligible participant retired prior to the employer's NMRCHA effective date, or is a former legislator and made no contributions to the plan.

Contributions from participating employers and participating employees become the property of the Retiree Health Care Fund and are not refundable under any circumstances, including termination of employment or termination of the participating employer's operation or participation in the Retiree Health Care Act. The employer, employee and retiree contributions are required to be remitted to the Retiree Health Care Authority on a monthly basis.

The Retiree Health Care Authority issues a separate, publicly available audited financial report that includes post-employment benefit expenditures of premiums and claims paid, participant contributions (employer, employee and retiree) and net expenditures for the fiscal year. The report also includes the approximate number of retirees participating in the plan. That report may be obtained by writing to the Retiree Health Care Authority, 4308 Carlisle Blvd. NE, Suite 104, Albuquerque, NM 87109.

For the fiscal year ended June 30, 2007, the County remitted \$35,317 in employer contributions and \$17,658 in employee contributions to the Retiree Health Care Authority.

14. LITIGATION

At June 30, 2007, there were several cases pending against the County. The total exposure to the County was not determined. No provision for possible losses has been provided for in the accompanying statements.

15. PRIOR PERIOD ADJUSTMENTS

The prior period adjustments are disclosed in order to display the flow of financial activity that cannot be state elsewhere.

Fund Balance: Prior year understatement of revenue in the Road Projects Special Appropriation fund was corrected in fiscal year 2007.

		<u>Road Projects Special Appropriation Fund</u>
Fund balance, beginning of year, as previously stated	\$	(590,401)
Restatement		<u>95,008</u>
Fund balance, as restated	\$	<u>(495,393)</u>

Net Assets: Prior year understatement of revenue. The understatement was corrected in fiscal year 2007.

		<u>Governmental Fund</u>
Net assets, beginning of year	\$	12,002,939
Restatement		<u>95,008</u>
Net assets, as restated	\$	<u>12,097,947</u>

SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Combining Balance Sheet - By Fund Type
Non-Major Governmental Funds

AS OF JUNE 30, 2007

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
ASSETS:				
Cash and cash equivalents	\$ 662,693	681,287	338,745	1,682,725
Restricted cash	-	294,002	643,628	937,630
Property taxes receivable	-	-	-	-
Accounts receivable	258,532	-	84,261	342,793
Federal receivable	25,189	-	-	25,189
Prepaid expenses	49,952	-	-	49,952
Other assets	872	-	129,166	130,038
Due from other funds	<u>81,078</u>	<u>-</u>	<u>-</u>	<u>81,078</u>
TOTAL ASSETS	\$ <u>1,078,316</u>	<u>975,289</u>	<u>1,195,800</u>	<u>3,249,405</u>
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable	\$ 86,538	-	-	86,538
Accrued payroll	35,547	-	-	35,547
Accrued liabilities	-	-	-	-
Deferred revenue	166,701	-	-	166,701
Debt Service Reserve	-	-	56,083	56,083
Due to other funds	<u>101,064</u>	<u>34,278</u>	<u>500</u>	<u>135,842</u>
TOTAL LIABILITIES	389,850	34,278	56,583	480,711
FUND BALANCE (DEFICIT):				
Reserved for debt service	-	-	1,139,217	1,139,217
Unreserved-undesignated (deficit)	<u>688,466</u>	<u>941,011</u>	<u>-</u>	<u>1,629,477</u>
TOTAL FUND BALANCES	<u>688,466</u>	<u>941,011</u>	<u>1,139,217</u>	<u>2,768,694</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>1,078,316</u>	<u>975,289</u>	<u>1,195,800</u>	<u>3,249,405</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
Non-Major Governmental Funds

YEAR ENDED JUNE 30, 2007

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
REVENUES:				
Intergovernmental:				
Operating grants and contributions	\$ 810,152	-	-	810,152
Capital grants and contributions	122,075	-	-	122,075
Federal grants	855,577	-	-	855,577
Taxes:				
Property	-	-	-	-
Sales	752,652	-	1,515,890	2,268,542
Motor vehicle	238,725	-	-	238,725
Gas	206,441	-	-	206,441
Cigarette	1,515	-	-	1,515
Lodgers	33,958	-	-	33,958
Licenses and fees	847,180	-	-	847,180
Investment income	8,216	70,885	65,974	145,075
Miscellaneous	54,015	-	-	54,015
TOTAL REVENUES	3,930,506	70,885	1,581,864	5,583,255
EXPENDITURES:				
Current:				
General government	148,304	40,341	-	188,645
Public works	1,972,669	-	500	1,973,169
Public safety	655,582	-	-	655,582
Health and welfare	1,241,706	-	-	1,241,706
Culture and recreation	17,653	-	-	17,653
Conservation	2,669	-	-	2,669
Urban redevelopment	65,837	-	-	65,837
Capital outlay	91,656	1,256,410	-	1,348,066
Debt service:				
Principal payments	17,978	-	1,102,615	1,120,593
Interest payments	1,828	-	246,063	247,891
Bond issuance cost	-	-	-	-
TOTAL EXPENDITURES	4,215,882	1,296,751	1,349,178	6,861,811

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
Non-Major Governmental Funds - continued

YEAR ENDED JUNE 30, 2007

	Special Revenue Funds	Capital Project Funds	Debt Service Project Funds	Total
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (285,376)	(1,225,866)	232,686	(1,278,556)
OTHER FINANCING SOURCES (USES):				
Transfers in	493,092	600,000	874,303	1,967,395
Transfers out	-	-	(833,466)	(833,466)
Proceeds from the issuance of debt	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>493,092</u>	<u>600,000</u>	<u>40,837</u>	<u>1,133,929</u>
NET CHANGES IN FUND BALANCE	207,716	(625,866)	273,523	(144,627)
FUND BALANCE, BEGINNING	<u>480,750</u>	<u>1,566,877</u>	<u>865,694</u>	<u>2,913,321</u>
FUND BALANCE, ENDING	\$ <u>688,466</u>	<u>941,011</u>	<u>1,139,217</u>	<u>2,768,694</u>

AS OF JUNE 30, 2007

SPECIAL REVENUE FUNDS

	Road	Solid Waste	SMC Health Facility	Forest Reserve Title III	Farm and Range	DWI Allocation	DWI Grant	Underage Drinking	Community DVI Program	DWI Offenders Fee	Education and Enforcement	Child Restraint
ASSETS:												
Cash and investments	6,802	1,971	-	638	10,015	-	-	-	-	4,769	60	-
Restricted cash	-	-	-	-	-	-	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	75,422	79,320	-	-	-	33,403	-	-	-	-	-	5,168
Federal receivable	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	44,302	-	-	-	150	-	-	-	-	-	-
Other asset	80,178	-	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 162,402	125,593	-	638	10,015	33,553	-	-	-	4,769	60	5,168
LIABILITIES:												
Accounts payable	5,436	29,239	-	-	-	57	-	-	-	-	-	-
Accrued payroll	15,085	12,138	-	-	-	5,369	-	-	-	-	-	151
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-
Debt service reserve	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	688	-	-	11,850	21,962	2,716	16,505	-	-	11,065
TOTAL LIABILITIES	20,521	41,377	688	-	-	17,276	21,962	2,716	16,505	-	-	11,216
FUND BALANCE:												
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	141,881	84,216	(688)	638	10,015	16,277	(21,962)	(2,716)	(16,505)	4,769	60	(6,048)
TOTAL FUND BALANCE	141,881	84,216	(688)	638	10,015	16,277	(21,962)	(2,716)	(16,505)	4,769	60	(6,048)
TOTAL LIABILITIES AND FUND BALANCE	\$ 162,402	125,593	-	638	10,015	33,553	-	-	-	4,769	60	5,168

AS OF JUNE 30, 2007

SPECIAL REVENUE FUNDS

	WIPP	Recording Equipment	Recreation	Legislative Appropriations	Beautification	Lodger's Tax	Indigent	Reappraisal	San Jose Community Center	Emergency Medical Services
ASSETS:										
Cash and investments	\$ 17,385	30,164	-	-	-	41,320	166,122	39,148	1,545	105,137
Restricted cash	-	-	-	-	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	7,973	57,246	-	-	-
Federal receivable	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
Other asset	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	630	-	-	270	-	-	-	-
TOTAL ASSETS	\$ 17,385	30,164	630	-	-	49,563	223,368	39,148	1,545	105,137
LIABILITIES:										
Accounts payable	-	6,615	-	-	-	-	-	13,553	-	2,322
Accrued payroll	-	-	-	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-
Debt service reserve	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	184	10,175	-	-	-	-	-	-
TOTAL LIABILITIES	-	6,615	184	10,175	-	630	-	13,553	-	2,322
FUND BALANCE:										
Reserved for debt service	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	17,385	23,549	446	(10,175)	-	48,933	223,368	25,595	1,545	102,815
TOTAL FUND BALANCE	17,385	23,549	446	(10,175)	-	48,933	223,368	25,595	1,545	102,815
TOTAL LIABILITIES AND FUND BALANCE	\$ 17,385	30,164	630	-	-	49,563	223,368	39,148	1,545	105,137

AS OF JUNE 30, 2007

	SPECIAL REVENUE FUNDS							CAPITAL PROJECTS FUNDS				
	Bureau of Justice	Law Enforcement	CDBG	Courthouse Renovation	Amulance/Medical Service Fund	Section 8 Housing	Professional Development	CDGB 2006	Total Special Revenue	Road and Health Projects	Detention Center Capital Outlay	Total Capital Projects
ASSETS:												
Cash and investments	582	824	-	-	-	195,974	37,108	3,129	662,693	73,662	607,625	681,287
Restricted cash	-	-	-	-	-	-	-	-	-	-	294,002	294,002
Property taxes receivable	-	-	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	258,532	-	-	-
Federal receivable	-	-	-	-	-	-	-	25,189	25,189	-	-	-
Prepaid expenses	-	-	-	-	5,500	-	-	-	49,952	-	-	-
Other asset	-	872	-	-	-	-	-	-	872	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	81,078	-	-	-
TOTAL ASSETS	582	1,696			5,500	195,974	37,108	28,318	1,078,316	73,662	901,627	975,289
LIABILITIES:												
Accounts payable	-	-	-	-	26,639	-	-	2,677	86,538	-	-	-
Accrued payroll	200	-	-	-	-	2,604	-	-	35,547	-	-	-
Accrued liabilities	-	-	-	-	-	166,701	-	-	166,701	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-
Debt service reserve	-	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	100	-	25,189	101,064	-	34,278	34,278
TOTAL LIABILITIES	200				26,639	169,405		27,866	389,850		34,278	34,278
FUND BALANCE:												
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	382	1,696	-	-	(21,132)	26,569	37,108	452	688,466	73,662	867,349	941,011
TOTAL FUND BALANCE	382	1,696			(21,132)	26,569	37,108	452	688,466	73,662	867,349	941,011
TOTAL LIABILITIES AND FUND BALANCE	582	1,696			5,500	195,974	37,108	28,318	1,078,316	73,662	901,627	975,289

AS OF JUNE 30, 2007

DEBT SERVICE FUNDS

	SMC Debt Service	1997			1998		1998		2003 GRT NMFA	Total Debt Service Funds	Total Non-major Governmental Funds
		Series B Bond Issue	Series A Bond Issue	Series B Bond Issue	Series A Bond Issue	Series B Bond Issue	Series A Bond Issue				
ASSETS:											
Cash and investments	255,162	-	-	-	-	-	-	83,583	338,745	1,682,725	
Restricted cash	28,014	-	18,938	37,145	-	-	-	559,531	643,628	937,630	
Property taxes receivable	-	-	-	-	-	-	-	-	-	-	
Accounts receivable	38,160	-	-	-	-	-	-	46,101	84,261	342,793	
Federal receivable	-	-	-	-	-	-	-	-	-	25,189	
Prepaid expenses	-	-	-	-	-	-	-	-	-	49,952	
Other asset	20,023	-	-	-	-	-	-	109,143	129,166	130,038	
Due from other funds	-	-	-	-	-	-	-	-	-	81,078	
TOTAL ASSETS	341,352		18,938	37,145				798,358	1,195,800	3,249,405	
LIABILITIES:											
Accounts payable	-	-	-	-	-	-	-	-	-	86,538	
Bank overdraft	-	-	-	-	-	-	-	-	-	-	
Accrued payroll	-	-	-	-	-	-	-	-	-	35,547	
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	
Deferred revenue	-	-	-	-	-	-	-	-	-	166,701	
Debt service reserve	-	-	18,938	37,145	-	-	-	-	56,083	56,083	
Due to other funds	500	-	-	-	-	-	-	-	500	135,842	
TOTAL LIABILITIES	500		18,938	37,145					56,583	480,711	
FUND BALANCE:											
Reserved for debt service	-	-	-	-	-	-	-	-	1,139,217	1,139,217	
Unreserved, undesignated	340,852	-	-	-	-	-	-	798,358	-	1,629,472	
TOTAL FUND BALANCE	340,852							798,358	1,139,217	2,768,694	
TOTAL LIABILITIES AND FUND BALANCE	341,352		18,938	37,145				798,358	1,195,800	3,249,405	

YEAR ENDED JUNE 30, 2007

SPECIAL REVENUE FUNDS

	Road	Solid Waste	S/MC Health Facility	Forest Reserve Title III	Farm and Range	DVT Allocation	DVT Grant	Underage Drinking	Community DVT Programs	DVT Offenders Fee	Education and Enforcement	Child Restraint
REVENUES:												
Intergovernmental:												
Operating grants and contributions	56,078	-	-	17,630	3,208	148,208	22,977	-	9,092	-	-	20,018
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-	-	-	-	-	-	-
Taxes:												
Property	-	-	-	-	-	-	-	-	-	-	-	-
Sales	-	91,209	-	-	-	-	-	-	-	-	-	-
Motor vehicle	238,725	-	-	-	-	-	-	-	-	-	-	-
Cas	206,441	-	-	-	-	-	-	-	-	-	-	-
Cigarette	-	-	-	-	-	-	-	-	-	-	-	-
Lodgers	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and fees	-	744,106	-	-	-	-	-	-	-	13,700	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	22	35,623	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	509,266	870,938	-	17,630	3,208	148,208	22,977	-	9,092	13,700	-	20,018
EXPENDITURES:												
Current:												
General government												
Public works	708,361	1,237,578	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	125,901	21,471	-	22,432	15,524	-	21,825
Culture and recreation	-	-	-	17,653	2,669	-	-	-	-	-	-	-
Conservation	-	-	-	-	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	15,309	-	-	-	-	-	-	-	-	-	-	-
Debt service:												
Principal payments	-	-	-	-	-	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	-	-	-	-	-	-
Bond issuance cost	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	723,670	1,237,578	-	17,653	2,669	125,901	21,471	-	22,432	15,524	-	21,825
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(214,404)	(366,640)	-	177	539	17,307	1,506	-	(13,340)	(1,824)	-	(1,807)
OTHER FINANCING SOURCES (USES):												
Transfers in												
Transfers out	244,807	211,685	-	-	-	-	-	-	-	-	-	-
Proceeds from the issuance of debt	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	244,807	211,685	-	-	-	-	-	-	-	-	-	-
NET CHANGES IN FUND BALANCE	24,403	(174,955)	-	177	539	17,307	1,506	-	(13,340)	(1,824)	-	(1,807)
FUND BALANCE, BEGINNING	117,478	259,171	(688)	461	9,476	(1,030)	(23,468)	(2,716)	(3,165)	6,593	60	(4,241)
FUND BALANCE, ENDING	141,881	84,216	(688)	638	10,015	16,277	(21,962)	(2,716)	(16,505)	4,769	60	(6,048)

YEAR ENDED JUNE 30, 2007

SPECIAL REVENUE FUNDS

	WPPP	Recording Equipment	Recreation	Legislative Appropriations	Sanitation	Lodger's Tax	Indigent	Recreation	San Jose Community Center	Emergency Medical Services
REVENUES:										
Intergovernmental:										
Operating grants and contributions	7,000	-	-	-	-	-	-	-	-	103,941
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-	-	-	-	-
Taxes:										
Property	-	-	-	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	661,443	-	-	-
Motor vehicle	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-
Cigarette	-	-	1,515	-	-	-	-	-	-	-
Lodgers	-	-	-	-	-	33,958	-	-	-	-
Licenses and fees	-	24,516	-	-	-	750	1,990	64,858	-	-
Interest income	-	-	-	-	-	-	-	-	9	1,224
Miscellaneous	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	7,000	24,516	1,515	-	-	34,708	663,433	64,858	9	105,165
EXPENDITURES:										
Current:										
General government	-	22,280	-	-	-	27,899	-	33,786	-	-
Public works	6,730	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	495,373	-	-	16,790
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Conservation	-	-	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal payments	-	-	-	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	-	-	-	-
Bond insurance cost	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	6,730	22,280	-	-	-	27,899	495,373	33,786	-	16,790
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	270	2,236	1,515	-	-	6,809	168,060	31,072	9	88,375
OTHER FINANCING SOURCES (USES):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Proceeds from the issuance of debt	-	-	-	-	-	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-	-
NET CHANGES IN FUND BALANCE	270	2,236	1,515	-	-	6,809	168,060	31,072	9	88,375
FUND BALANCE, BEGINNING	17,115	21,313	(1,062)	(10,173)	-	42,124	53,308	(5,477)	1,536	14,440
FUND BALANCE, ENDING	17,385	23,549	446	(10,173)	-	48,933	221,368	25,595	1,545	102,815

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Combining Statement of Revenues, Expenditures and Changes
in Fund Balance - Non-Major Governmental Funds - continued

YEAR ENDED JUNE 30, 2007

	SPECIAL REVENUE FUNDS							CAPITAL PROJECT FUNDS				
	Revenue of Justice	Law Enforcement	CDRC	Courtroom Renovation	Arbitration/ Medical Services Fund	Section 8 Housing	Professional Development	CDRC 2006	Total Special Revenue	Board and Health Projects	Domestic Center Capital Outlay	Total Capital Projects
REVENUES:												
Intergovernmental:												
Operating grants and contributions		24,800			400,000				810,152			
Capital grants and contributions				122,075					122,075			
Federal grants	9,976					820,412		25,189	855,577			
Taxes:												
Property												
Sales												
Motor vehicle									752,652			
Gas									238,725			
Cigarette									206,441			
Lodgers									1,515			
Licenses and fees									33,958			
Interest income		2,114				2,129			847,180			
Miscellaneous	300						18,070		8,216		70,885	
									54,015			
TOTAL REVENUES	10,276	26,914		122,075	400,000	822,541	18,070	25,189	3,930,506		70,885	70,885
EXPENDITURES:												
Current:												
General government												
Public works						64,839			148,304		40,341	40,341
Health and welfare									1,972,669			
Culture and recreation						746,333			655,582			
Conservation									1,241,706			
Urban redevelopment									17,653			
Capital outlay									2,669			
Debt service:									65,837			
Principal payments		67,596				8,751			91,656			
Interest payments		17,978							17,978			
Bond issuance cost		1,828							1,828			
TOTAL EXPENDITURES	10,500	87,402		122,075	421,139	819,423		65,837	4,215,882	10,245	1,246,165	1,256,410
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(224)	(60,488)			(21,139)	3,118	18,070	(40,648)	(285,376)	(10,245)	(1,215,621)	(1,225,866)
OTHER FINANCING SOURCES (USES):												
Transfers in												
Transfers out											600,000	600,000
Proceeds from the issuance of debt												
Proceeds from the sale of capital assets												
TOTAL OTHER FINANCING SOURCES (USES)									36,600		600,000	600,000
NET CHANGES IN FUND BALANCE	(224)	(60,488)		122,075	(21,139)	3,118	18,070	(4,048)	207,716	(10,245)	(615,621)	(625,866)
FUND BALANCE, BEGINNING	606	62,184		(122,075)		23,451	19,038	4,500	480,750	83,907	1,482,970	1,566,877
FUND BALANCE, ENDING	382	1,696			(21,139)	26,569	37,038	452	688,466	73,662	867,349	941,011

YEAR ENDED JUNE 30, 2007

	DEBT SERVICE FUNDS					Total Non-major Governmental Funds
	SNC Debt Service	1997 Series B Bond Issues	1998 Series A Bond Issues	1999 Series B Bond Issues	2003 CRT NMFA	
REVENUES:						
Intergovernmental:						
Operating grants and contributions	-	-	-	-	-	810,152
Capital grants and contributions	-	-	-	-	-	122,075
Federal grants	-	-	-	-	-	855,577
Taxes:						
Property	987,952	-	-	-	-	2,268,542
Sales	-	-	-	-	527,938	238,725
Motor vehicle	-	-	-	-	-	206,441
Gas	-	-	-	-	-	1,515
Cigarette	-	-	-	-	-	33,958
Lodgers	-	-	-	-	-	847,180
Licenses and fees	-	-	-	-	-	145,075
Interest income	6,723	7,778	-	-	51,473	54,015
Miscellaneous	-	-	-	-	-	5,583,255
TOTAL REVENUES	994,675	7,778	-	-	579,411	1,581,864
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	188,645
Public works	500	-	-	-	-	1,973,169
Public safety	-	-	-	-	-	655,582
Health and welfare	-	-	-	-	-	1,241,706
Culture and recreation	-	-	-	-	-	17,653
Conservation	-	-	-	-	-	2,669
Urban redevelopment	-	-	-	-	-	65,837
Capital outlay	-	-	-	-	-	1,346,066
Debt service:						
Principal payments	54,626	690,000	-	-	357,989	1,120,593
Interest payments	5,840	51,540	-	-	188,683	247,891
Bond insurance cost	-	-	-	-	-	-
TOTAL EXPENDITURES	60,966	741,540	-	-	546,672	6,861,811
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	933,709	(733,762)	-	-	32,739	(1,278,556)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	1,967,395
Transfers out	(723,466)	635,963	-	-	218,340	(833,466)
Proceeds from the issuance of debt	-	-	-	-	(110,000)	-
Proceeds from the sale of capital assets	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(723,466)	635,963	-	-	108,340	1,133,929
NET CHANGES IN FUND BALANCE	210,243	(77,799)	-	-	141,079	(144,627)
FUND BALANCE, BEGINNING	130,616	77,799	-	-	657,279	2,913,321
FUND BALANCE, ENDING	\$ 340,859	\$ 0	-	-	\$ 798,358	\$ 2,768,694

See Notes to Financial Statements

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Revenues and Expenditures -
Major Capital Project Funds -
Budget and Actual (Non-GAAP Basis)

YEAR ENDED JUNE 30, 2007

	COURTHOUSE REMODELING			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 1,245,000	1,745,000	1,147,187	(597,813)
Interest income	-	38,000	47,675	9,675
Miscellaneous	-	-	-	-
TOTAL REVENUES	1,245,000	1,783,000	1,194,862	(588,138)
EXPENDITURES - current:				
Public safety:				
Operating expenses	182,552	221,552	161,290	60,262
Capital outlay	<u>2,560,905</u>	<u>3,791,865</u>	<u>2,688,886</u>	<u>1,102,979</u>
TOTAL EXPENDITURES	2,743,457	4,013,417	2,850,176	1,163,241
OTHER FINANCING SOURCES				
Operating transfers in	60,000	700,000	700,000	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	60,000	700,000	700,000	-
FUND BALANCES - ENDING	\$ <u>(1,438,457)</u>	<u>(1,530,417)</u>	<u>(955,314)</u>	<u>575,103</u>
PRIOR YEAR CASH BALANCE				
REQUIRED TO BALANCE BUDGET	\$ <u>1,438,457</u>	<u>1,530,417</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Revenues and Expenditures -
Major Debt Service Funds -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

1997A AND 2007 SERIES BOND ISSUE

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 5,000	5,000	20,034	15,034
TOTAL REVENUES	5,000	5,000	20,034	15,034
EXPENDITURES - current:				
Public Works:				
Operating	-	266,732	236,498	30,234
Capital outlay	-	-	-	-
	-	266,732	236,498	30,234
Debt Service:				
Principal	115,000	4,540,000	4,540,000	-
Interest	267,550	273,362	273,361	1
	382,550	4,813,362	4,813,361	1
TOTAL EXPENDITURES	382,550	5,080,094	5,049,859	30,235
OTHER FINANCING SOURCES:				
Proceeds from issuance of debt	-	6,500,000	6,475,152	(24,848)
Operating transfers in	382,500	382,500	365,159	(17,341)
Operating transfers out	-	(1,880,000)	(1,795,216)	84,784
TOTAL OTHER FINANCING SOURCES (USES)	382,500	5,002,500	5,045,095	42,595
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 4,950	(72,594)	15,270	(87,864)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ (4,950)	72,594		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Tax Roll Reconciliation

YEAR ENDED JUNE 30, 2007

Property taxes receivable, beginning of year	\$	4,239,334
Changes to Tax Roll:		
Net taxes charged to Treasurer for fiscal year		10,083,230
Adjustments:		
Increases in taxes receivable		115,296
Charge off of taxes receivable		<u>(232,515)</u>
Total receivables prior to collections		14,205,345
Collections for fiscal year ended June 30, 2007		<u>(9,607,758)</u>
Property taxes receivable, end of year	\$	<u>4,597,587</u>
Property taxes receivable by years are as follows:		
1997	\$	73,319
1998		93,735
1999		140,763
2000		183,912.00
2001		278,225.00
2002		311,135.00
2003		438,715.00
2004		547,469.00
2005		859,126
2006		<u>1,671,188</u>
Total taxes receivable	\$	<u>4,597,587</u>
Collections during the fiscal year ended June 30, 2007 are as follows:		
Taxes	\$	9,607,758
Penalty and interest		<u>403,543</u>
Taxes charge to Treasurer at June 30, 2007	\$	<u>10,011,301</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Tax Roll Reconciliation - continued

YEAR ENDED JUNE 30, 2007

Distributions made on fiscal year June 30, 2007 collections:

San Miguel County	\$	3,273,119
East Las Vegas Schools		2,128,034
West Las Vegas Schools		1,310,194
Pecos School		519,437
Santa Rosa Consolidated Schools		11,556
Luna Community College		752,404
City of Las Vegas		1,075,424
Village of Pecos		7,836
Mesa		596
Guadalupe Soil and Water		124
Tiera y Montes Soil and Water		196,154
State of New Mexico		569,632
New Mexico Taxation and Revenue		<u>92,732</u>
Total distributions	\$	<u>9,937,242</u>
Undistributed taxes and interest at June 30, 2007	\$	<u>304,033</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes:

Road – To account for revenues and expenditures for control of road maintenance. Funding is from state shared revenue. The fund was created by authority of state statute (see Section 7-1-6.19, NMSA 1978 Compilation).

Solid Waste – To account for revenues and expenditures for solid waste within San Miguel County. The creation and maintenance of a separate fund was established by a County Resolution.

SMC Health Facility – To account for the appropriations to the San Miguel County Health Facility. The creation and maintenance of a separate fund was established by a County Resolution.

Forest Reserve Title III – To account for funds used for purposes indicated in Public Law 106-393.

Farm and Range – To account for revenues and expenditures for control of predatory animals. Funding is from the Taylor Grazing Act. Expenditures may be made only for the purposes specified in the grant. The fund was created by authority of state statute (see Section 6-11-6, NMSA 1978 Compilation).

D.W.I. Grant – To account for appropriations for the D.W.I. Allocation, D.W.I. Grant, Underage Drinking, Community D.W.I. Program and D.W.I. Offenders Fee funds. These funds provide quality substance abuse treatment, community education, outreach and primary prevention services to citizens of San Miguel County. This fund was created by authority of state statute (see Section 43-3-14 to 15 of the NMSA 1978 Compilations.)

Education and Enforcement – To account for the appropriations to educate, enforce and protect occupants and children of motor vehicles in the county of San Miguel regarding seat belt restraint and use. The fund was created by authority of state statute (see Section 131-12-7 NMSA 1978 Compilation.)

Child Restraint – To account for appropriations for Selective Traffic Enforcement. These funds provide quality community education, outreach and primary prevention services to citizens of San Miguel County. The fund was created by authority of state statute (see Section 43-3-14 to 15 NMSA 1978 Compilation.)

WIPP – To account for revenues and expenditures used for purposes of enhancing its hazardous material emergency response capability. The authority to create this fund was done by Resolution 9-9-2003-F2.

Recording Equipment - To account for revenues and expenditures for control of equipment. The fees collected are restricted in that they may only be used for the purchase of equipment associated with the recording, filing, maintaining or reproducing of documents in the Office of the County Clerk. This fund was created by authority of state statute (see Section 14-8-12.2, NMSA 1978 Compilation.)

Recreation – To account for revenues and expenditures related to the County's Youth recreational activities. Funds are provided by the State shared cigarette tax. The fund was created by authority of state statute (see Section 3-19-9, NMSA 1978 Compilation).

SPECIAL REVENUE FUNDS - continued

Legislative Appropriations – To account for revenues and expenditures restricted to specific purposes as agreed to between San Miguel County and the State in the grant agreement. The authority to create this fund was done by Resolution 9-9-2003-F2.

Beautification – To account for revenues and expenditures for the New Mexico Clean and Beautiful Project. This fund was created by authority of state statute (Section 67-15-1 through 67-16-4 of NMSA 1978 Compilation).

Lodger's Tax – To account for revenues and expenditures for the Lodger's Tax Fund, which is used to promote economic development in the County. Funding is provided by locally imposed gross receipts tax. The fund was created by authority of state statute (see Section 3-38-24, NMSA 1978 Compilation).

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

Reappraisal – To account for funds used to provide valuation services to the County and other local entities. Funding is provided through a 1% administrative charge on property taxes collected (see Section 7-38-38.1, NMSA 1978 Compilation).

San Jose Community Center – To account for the revenue and expenditures related to the San Jose Community Center. The fund was created by authority of state statute (see Section 3-19-9 NMSA 1978 Compilation).

Emergency Medical Services – To account for revenues and expenditures for Emergency Medical Services in the communities of El Pueblo, Gallinas, Sapello, Conchas, Ilfeld, General, Cabo Lucero, Sheridan, Bernal/Tecolote, and the Ambulance Aid funds. These funds were created by authority of state statute (see Section 24-10A-6, NMSA 1978 Compilation).

Bureau of Justice – To account for federal funds received by grant. Funds are restricted to projects that reduce crime and improve public safety. The authority to create this fund was done by Resolution 9-9-2003-F2.

Law Enforcement – To account for revenues and expenditures for maintaining and improving the County's law enforcement department in order to enhance its efficiency and effectiveness. Funding is from the State appropriation authorized by Section 29-13-1 to 9 of NMSA.

CDBG – To account for funds used to rehabilitate personal residences of qualified citizens within the County. Funding is from a Community Development Block Grant from the Department of Housing and Urban Development.

Courthouse Renovations – To account for revenues and expenditures for the CDBG funds. The CDBG funds were dedicated for Courthouse ADA Renovations. The authority to create this fund was done by Resolution 9-9-2003-F2.

SPECIAL REVENUE FUNDS - continued

Ambulance/Medical Service – To account for indigent costs that are paid from sources other than gross receipts taxes dedicated for indigent purposes. The creation and maintenance of a separate fund was established by Resolution 2007-02-13-F3.

Section 8 Housing – To account for revenues and expenditures of providing rental assistance to low-income citizens of the County. The U.S. Department of Housing and Urban Development provides funding. The fund was created by authority of state statute (see Section 1.19.114, NMSA 1978 Compilation).

Professional Development – To account for monies received from the Imus Ranch as per agreement. In addition, this fund is also used to account for any other funds earmarked for professional development. The creation and maintenance of a separate fund was established by Resolution 2006-06-13-F2.

CDBG 2006 – To account for CDBG proceeds for the Tecolote Drainage and roadway improvements. The creation and maintenance of a separate fund was established by Resolution 2006-06-13-F2.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Road
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	<u>481,803</u>	<u>471,825</u>	<u>463,477</u>	<u>(8,348)</u>
TOTAL REVENUES	481,803	471,825	463,477	(8,348)
EXPENDITURES - current:				
Public works:				
Operating	783,506	775,408	719,660	55,748
Capital outlay	36,500	17,066	15,593	1,473
Prinpal and Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	820,006	792,474	735,253	57,221
OTHER FINANCING SOURCES:				
Operating transfers in	299,412	244,807	244,807	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>299,412</u>	<u>244,807</u>	<u>244,807</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(38,791)</u>	<u>(75,842)</u>	<u>(26,969)</u>	<u>48,873</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>38,791</u>	<u>75,842</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Solid Waste
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

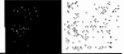


YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Taxes - sales	\$ 60,000	75,000	89,185	14,185
Licenses and fees	440,000	440,000	744,106	304,106
Miscellaneous	-	50,000	35,623	(14,377)
Interest income	-	-	-	-
TOTAL REVENUES	500,000	565,000	868,914	303,914
EXPENDITURES - current:				
Public works:				
Operating expenses	706,091	807,975	772,950	35,025
Capital outlay	-	7,298	7,267	31
TOTAL EXPENDITURES	706,091	815,273	780,217	35,056
OTHER FINANCING SOURCES				
Operating transfers in	167,503	211,685	211,685	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	167,503	211,685	211,685	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (38,588)	(38,588)	300,382	338,970
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 38,588	38,588		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - SMC Health Facility
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)



YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	-
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-	-	-

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Forest Reserve Title III
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	<u>17,653</u>	<u>17,653</u>	<u>17,830</u>	<u>177</u>
TOTAL REVENUES	17,653	17,653	17,830	177
EXPENDITURES - current:				
Public works:				
Operating	18,113	18,113	17,653	460
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	18,113	18,113	17,653	460
OTHER FINANCING SOURCES:				
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) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(460)</u>	<u>(460)</u>	<u>177</u>	<u>637</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>460</u>	<u>460</u>		

STATE OF NEW MEXICO

SAN MIGUEL COUNTY

Special Revenue Funds - Farm & Range
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	4,700	4,700	3,208	(1,492)
Miscellaneous	-	-	-	-
TOTAL REVENUES	4,700	4,700	3,208	(1,492)
EXPENDITURES - current:				
Public works:				
Operating	14,289	14,289	2,783	11,506
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	14,289	14,289	2,783	11,506
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(9,589)</u>	<u>(9,589)</u>	<u>425</u>	<u>10,014</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>9,589</u>	<u>9,589</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - DWI Allocation
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	111,434	145,597	109,804	(35,793)
Miscellaneous	-	-	-	-
TOTAL REVENUES	111,434	145,597	109,804	(35,793)
EXPENDITURES - current:				
Public works:				
Operating	111,434	125,878	111,924	13,954
Capital outlay	-	19,719	15,110	4,609
TOTAL EXPENDITURES	111,434	145,597	127,034	18,563
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	(17,230)	(17,230)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

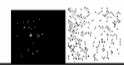
Special Revenue Funds - DWI Grant
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	65,234	65,234	14,227	(51,007)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	65,234	65,234	14,227	(51,007)
EXPENDITURES - current:				
Public works:				
Operating	40,000	20,433	7,142	13,291
Capital outlay	<u>-</u>	<u>12,676</u>	<u>10,795</u>	<u>1,881</u>
TOTAL EXPENDITURES	40,000	33,109	17,937	15,172
OTHER FINANCING SOURCES:				
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) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>25,234</u>	<u>32,125</u>	<u>(3,710)</u>	<u>(35,835)</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>(25,234)</u>	<u>(32,125)</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Underage Drinking
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

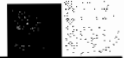


YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	-
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-	-	-

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Community DWI Program
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

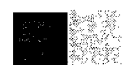


YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	15,840	15,840	9,091	(6,749)
Miscellaneous	-	-	-	-
TOTAL REVENUES	15,840	15,840	9,091	(6,749)
EXPENDITURES - current:				
Public works:				
Operating	13,806	13,806	12,909	897
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	13,806	13,806	12,909	897
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 2,034	2,034	(3,818)	(5,852)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ (2,034)	(2,034)		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - DWI Offenders Fee
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

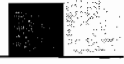


YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	10,820	13,700	2,880
Miscellaneous	<u>3,500</u>	<u>2,610</u>	-	<u>(2,610)</u>
TOTAL REVENUES	3,500	13,430	13,700	270
EXPENDITURES - current:				
Public works:				
Operating	7,000	20,126	15,628	4,498
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	7,000	20,126	15,628	4,498
OTHER FINANCING SOURCES:				
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) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(3,500)</u>	<u>(6,696)</u>	<u>(1,928)</u>	<u>4,768</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>3,500</u>	<u>6,696</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Education and Enforcement
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

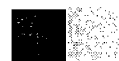


YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	-
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-	-	-

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Child Restraint
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)



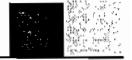
YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	30,755	50,430	14,850	(35,580)
Miscellaneous	-	-	-	-
TOTAL REVENUES	30,755	50,430	14,850	(35,580)
EXPENDITURES - current:				
Public works:				
Operating	26,103	45,778	21,673	24,105
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	26,103	45,778	21,673	24,105
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 4,652	4,652	(6,823)	(11,475)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ (4,652)	(4,652)		

STATE OF NEW MEXICO

SAN MIGUEL COUNTY

Special Revenue Funds - WIPP
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)



YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	7,000	7,000	7,000	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	7,000	7,000	7,000	-
EXPENDITURES - current:				
Public works:				
Operating	-	4,823	4,312	511
Capital outlay	24,115	19,292	2,418	16,874
TOTAL EXPENDITURES	24,115	24,115	6,730	17,385
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (17,115)	(17,115)	270	17,385
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 17,115	17,115		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

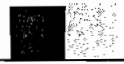
Special Revenue Funds - Recording Equipment
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	25,000	25,000	24,516	(484)
TOTAL REVENUES	25,000	25,000	24,516	(484)
EXPENDITURES - current:				
Public works:				
Operating	13,300	14,485	14,988	(503)
Capital outlay	35,092	33,907	2,756	31,151
TOTAL EXPENDITURES	48,392	48,392	17,744	30,648
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (23,392)	(23,392)	6,772	30,164
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 23,392	23,392		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Recreation
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)



YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 300	300	255	(45)
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	300	300	255	(45)
EXPENDITURES - current:				
Public works:				
Operating	491	491	-	491
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	491	491	-	491
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (191)	(191)	255	(446)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 191	191		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Legislative Appropriations
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

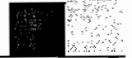


YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	12,000	12,000	-	(12,000)
Miscellaneous	-	-	-	-
TOTAL REVENUES	12,000	12,000	-	(12,000)
EXPENDITURES - current:				
Public works:				
Operating	1,825	1,825	-	1,825
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	1,825	1,825	-	1,825
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>10,175</u>	<u>10,175</u>	<u>-</u>	<u>(10,175)</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>(10,175)</u>	<u>(10,175)</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Beautification
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

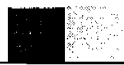


YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	-
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-	-	-

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Lodger's Tax
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

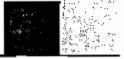


YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 33,420	33,420	32,238	(1,182)
Intergovernmental	-	-	-	-
Interest income	-	-	750	750
Miscellaneous	-	-	-	-
TOTAL REVENUES	33,420	33,420	32,988	(432)
EXPENDITURES - current:				
Public works:				
Operating	43,800	43,800	31,544	12,256
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	43,800	43,800	31,544	12,256
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(10,380)</u>	<u>(10,380)</u>	<u>1,444</u>	<u>11,824</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>10,380</u>	<u>10,380</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Indigent
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)



YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 744,743	804,743	656,718	(148,025)
Intergovernmental	-	-	-	-
Interest income	1,000	1,000	1,990	990
Miscellaneous	<u>275,886</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	1,021,629	805,743	658,708	(147,035)
EXPENDITURES - current:				
Public works:				
Operating	1,015,240	819,354	546,377	272,977
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	1,015,240	819,354	546,377	272,977
OTHER FINANCING SOURCES:				
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) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>6,389</u>	<u>(13,611)</u>	<u>112,331</u>	<u>(125,942)</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>(6,389)</u>	<u>13,611</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Reappraisal
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	70,000	70,000	64,858	(5,142)
TOTAL REVENUES	70,000	70,000	64,858	(5,142)
EXPENDITURES - current:				
Public works:				
Operating	53,950	72,108	44,506	27,602
Capital outlay	4,000	3,649	3,578	71
TOTAL EXPENDITURES	57,950	75,757	48,084	27,673
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 12,050	(5,757)	16,774	(22,531)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ (12,050)	5,757		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - San Jose Community Center
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2006

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Interest income	-	-	13	13
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	13	13
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$	_____	_____	_____
		_____	_____	_____
		_____	_____	_____
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$	_____	_____	_____
		_____	_____	_____
		_____	_____	_____

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Emergency Medical Services
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 103,036	103,929	103,941	12
Interest income	-	-	1,224	1,224
Miscellaneous	-	-	-	-
TOTAL REVENUES	103,036	103,929	105,165	1,236
EXPENDITURES - current:				
General EMS				
Public Safety:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
Gallinas EMS				
Public Safety:				
Operating	7,210	7,860	2,911	4,949
Capital outlay	72,000	71,350	-	71,350
	79,210	79,210	2,911	76,299
Sapello/Rociada EMS				
Public Safety:				
Operating	3,120	2,084	1,393	691
Capital outlay	-	1,716	1,716	-
	3,120	3,800	3,109	691
Conchas VFD				
Public Safety:				
Operating	5,257	5,321	170	5,151
Capital outlay	-	-	-	-
	5,257	5,321	170	5,151
Ilfeld VFD				
Public Safety:				
Operating	7,299	7,412	4,486	2,926
Principal and interest	-	-	-	-
Capital outlay	-	-	-	-
	7,299	7,412	4,486	2,926

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

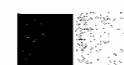
Special Revenue Funds - Emergency Medical Services - continued
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES - current - continued:				
Cabo Lucero EMS				
Public Safety:				
Operating	3,030	3,037	2,755	282
Capital outlay	-	-	-	-
	<u>3,030</u>	<u>3,037</u>	<u>2,755</u>	<u>282</u>
Sheridan EMS				
Public Safety:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Bernal/Tecolote EMS				
Public Safety:				
Operating	5,120	5,149	1,038	4,111
Capital outlay	-	-	-	-
	<u>5,120</u>	<u>5,149</u>	<u>1,038</u>	<u>4,111</u>
TOTAL EXPENDITURES	<u>103,036</u>	<u>103,929</u>	<u>14,469</u>	<u>86,534</u>
OTHER FINANCING SOURCES:				
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) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>-</u>	\$ <u>-</u>	<u>90,696</u>	<u>(87,769)</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>-</u>	\$ <u>-</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Bureau of Justice
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)



YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	14,270	-	-	-
Miscellaneous	-	-	300	300
TOTAL REVENUES	14,270	-	300	300
EXPENDITURES - current:				
Public works:				
Operating	6,000	11,400	11,119	281
Capital outlay	8,500	-	-	-
TOTAL EXPENDITURES	14,500	11,400	11,119	281
OTHER FINANCING SOURCES:				
Operating transfers in	1,585	1,585	-	(1,585)
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,585	1,585	-	(1,585)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,355	(9,815)	(10,819)	(1,004)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ (1,355)	9,815		

STATE OF NEW MEXICO

SAN MIGUEL COUNTY

Special Revenue Funds - Law Enforcement
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	24,800	24,800	24,800	-
Interest income	-	2,052	872	(1,180)
Miscellaneous	-	-	-	-
TOTAL REVENUES	24,800	26,852	25,672	(1,180)
EXPENDITURES - current:				
Public works:				
Operating	19,806	19,806	19,806	-
Capital outlay	11,368	68,420	10,544	57,876
TOTAL EXPENDITURES	31,174	88,226	30,350	57,876
OTHER FINANCING SOURCES:				
Proceeds from issuance of debt	-	55,000	-	(55,000)
Operating transfers in	-	-	12,000	12,000
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	55,000	12,000	(43,000)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (6,374)	(6,374)	7,322	13,696
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 6,374	6,374		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

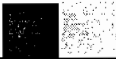
Special Revenue Funds - CDBG
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	-
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Courthouse Renovations
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

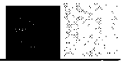


YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	-
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-	-	-

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Ambulance/Medical Service
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)



YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	-
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-	-	-

STATE OF NEW MEXICO

SAN MIGUEL COUNTY

Special Revenue Funds - Section 8 Housing
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	743,940	934,141	768,682	(165,459)
Interest on investments	300	1,000	2,129	1,129
Miscellaneous	<u>32,760</u>	<u>5,375</u>	<u>5,177</u>	<u>(198)</u>
TOTAL REVENUES	777,000	940,516	775,988	(164,528)
EXPENDITURES - current:				
Public works:				
Operating	1,016,091	927,037	811,660	115,377
Capital outlay	<u>-</u>	<u>12,581</u>	<u>8,751</u>	<u>3,830</u>
TOTAL EXPENDITURES	1,016,091	939,618	820,411	119,207
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(239,091)</u>	<u>898</u>	<u>(44,423)</u>	<u>(45,321)</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>239,091</u>	<u>(898)</u>		

See Notes to Financial Statements.

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STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - Professional Development
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	19,000	19,000	19,038	38
TOTAL REVENUES	19,000	19,000	19,038	38
EXPENDITURES - current:				
Public works:				
Operating	38,000	38,000	968	37,032
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	38,000	38,000	968	37,032
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(19,000)</u>	<u>(19,000)</u>	<u>18,070</u>	<u>37,070</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>19,000</u>	<u>19,000</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Special Revenue Funds - CDBG 2006
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	411,000	411,000	-	(411,000)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	411,000	411,000	-	(411,000)
EXPENDITURES - current:				
Public works:				
Operating	103,500	131,372	63,160	68,212
Capital outlay	<u>348,600</u>	<u>320,728</u>	<u>-</u>	<u>320,728</u>
TOTAL EXPENDITURES	452,100	452,100	63,160	388,940
OTHER FINANCING SOURCES:				
Operating transfers in	-	36,600	-	(36,600)
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>36,600</u>	<u>-</u>	<u>(36,600)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(41,100)</u>	<u>(4,500)</u>	<u>(63,160)</u>	<u>(58,660)</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>41,100</u>	<u>4,500</u>		

CAPITAL PROJECTS FUNDS

To account for resources used for the purpose of purchasing land or improving grounds and for constructing, remodeling, making additions to, and furnishing and equipping buildings. Financing is provided primarily from the sale of bonds.

Road and Health Projects – To account for revenues and expenditures related to road projects and the construction of the Public Health Building. This fund consists of bonds revenues and special appropriations which include both state and federal funding. The creation and maintenance of a separate fund was established by a County Resolution.

Detention Center Capital Outlay – To account for revenues and expenditures related to the construction of the San Miguel County Detention Center. This fund consists of bonds revenues and special appropriations which include both state and federal funding. The creation and maintenance of a separate fund was established by a County Resolution.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Capital Projects Funds - Road and Health Projects
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	83,907	83,907	10,246	73,661
TOTAL EXPENDITURES	83,907	83,907	10,246	73,661
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(83,907)</u>	<u>(83,907)</u>	<u>(10,246)</u>	<u>73,661</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>83,907</u>	<u>83,907</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Capital Projects Funds - Detention Center Capital Outlay -
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	150,000	-	(150,000)
Interest income	<u>15,000</u>	<u>39,000</u>	<u>65,190</u>	<u>26,190</u>
TOTAL REVENUES	15,000	189,000	65,190	(123,810)
EXPENDITURES - current:				
General government:				
Operating expenses	57,989	60,639	40,341	20,298
Capital outlay	<u>1,439,980</u>	<u>2,211,330</u>	<u>1,246,166</u>	<u>965,164</u>
TOTAL EXPENDITURES	1,497,969	2,271,969	1,286,507	985,462
OTHER FINANCING SOURCES:				
Operating transfers in		600,000	600,000	
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(1,482,969)</u>	<u>(1,482,969)</u>	<u>(621,317)</u>	<u>861,652</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>1,482,969</u>	<u>1,482,969</u>		

DEBT SERVICE FUNDS

SMC Debt Service – To account for revenues pledged for various debt service projects. It is also used to account for expenditures and/or transfers related to debt services. The creation and maintenance of a separate fund was established by a County Resolution.

1997 Series B Bond Issue – To account for revenues and expenditures of the 1997 Series B Revenue Bond Issue. The funds were used for the construction of the detention center. The creation and maintenance of a separate fund was established by a County Resolution.

1998 Series A Bond Issue – To account for revenues and expenditures of the 1998 Series A Bond Issue. The funds were used for Volunteer Fire Department capital needs. The creation and maintenance of a separate fund was established by a County Resolution.

1998 Series B Bond Issue – To account for revenues and expenditures of the 1998 Series B Bond Issue. The funds were used for Volunteer Fire Department capital needs. The creation and maintenance of a separate fund was established by a County Resolution.

2003 GRT NMFA – To account for revenues pledged and debt service expenditures related to the 2003 Revenue Bonds/NMFA Loan. The creation and maintenance of a separate fund was established by a County Resolution.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Debt Service Funds - SMC Debt Service
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes - sales	\$ 360,000	400,000	437,761	37,761
Intergovernmental	440,000	542,159	542,159	-
Interest on investments	-	1,000	6,775	5,775
Miscellaneous	1,750	-	-	-
TOTAL REVENUES	801,750	943,159	986,695	43,536
EXPENDITURES - current:				
Public works:				
Operating	61,467	61,467	60,699	768
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	61,467	61,467	60,699	768
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	(741,600)	(741,600)	(723,466)	18,134
TOTAL OTHER FINANCING SOURCES (USES)	(741,600)	(741,600)	(723,466)	18,134
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (1,317)	140,092	202,530	62,438
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 1,317	(140,092)		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

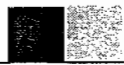
Debt Service Funds - 1997 Series B Bond Issue
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 1,000	1,000	7,778	6,778
TOTAL REVENUES	1,000	1,000	7,778	6,778
EXPENDITURES - current:				
Debt Service				
Principal	10,000	690,000	690,000	-
Interest	51,540	51,540	51,540	-
TOTAL EXPENDITURES	61,540	741,540	741,540	-
OTHER FINANCING SOURCES:				
Operating transfers in	61,540	741,540	655,963	(85,577)
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	61,540	741,540	655,963	(85,577)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 1,000	1,000	(77,799)	(78,799)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ (1,000)	(1,000)		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Debt Service Funds - 1998 Series A Bond Issue
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

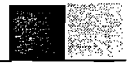


YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ -	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES - current:				
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES:				
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	-
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Debt Service Funds - 1998 Series B Bond Issue
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

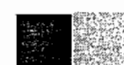


YEAR ENDED JUNE 30, 2007

		Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
		Original	Final		
REVENUES:					
Interest on investments	\$	-	-	-	-
TOTAL REVENUES		-	-	-	-
EXPENDITURES - current:					
Debt Service					
Principal		-	-	-	-
Interest		-	-	-	-
TOTAL EXPENDITURES		-	-	-	-
OTHER FINANCING SOURCES:					
Transfers out		-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$	-	-	-	-
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$	-	-		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Debt Service Funds - 2003 GRT NMFA
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)



YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Tax	\$ 425,000	500,000	509,526	9,526
Interest on investments	<u>1,000</u>	<u>13,000</u>	<u>51,473</u>	<u>38,473</u>
TOTAL REVENUES	426,000	513,000	560,999	47,999
EXPENDITURES - current:				
Operating	300	1,069	-	1,069
Debt Service:				-
Principal	357,989	357,989	357,989	-
Interest	<u>188,684</u>	<u>187,915</u>	<u>188,682</u>	<u>(767)</u>
TOTAL EXPENDITURES	546,973	546,973	546,671	302
OTHER FINANCING SOURCES:				
Operating transfers in	218,340	218,340	218,340	-
Operating transfers out	<u>(110,000)</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>108,340</u>	<u>108,340</u>	<u>108,340</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(12,633)</u>	<u>74,367</u>	<u>122,668</u>	<u>48,301</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>12,633</u>	<u>(74,367)</u>		

AGENCY FUNDS

Treasurer Fund – The County collects property taxes from citizens and disburses to the proper agencies.

El Valle Foundation Fund – The County collects donations on behalf of the foundation.

Employee Fund – The County collects donations on behalf of the employees for picnics and parties.

Inmate Trust Fund – The County holds monies on behalf of the inmates in the Detention Center.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Combining Statement of Assets and Liabilities -
Agency Funds



AS OF JUNE 30, 2007

	Treasurer Fund	El Valle Foundation Fund	Employee Fund	Inmate Trust Fund	Total
ASSETS:					
Cash and cash equivalents (Note 2)	\$ 166,689	55,266	2,732	14,206	238,893
Taxes receivable	<u>3,137,853</u>	-	-	-	<u>3,137,853</u>
TOTAL ASSETS	\$ <u>3,304,542</u>	<u>55,266</u>	<u>2,732</u>	<u>14,206</u>	<u>3,376,746</u>
LIABILITIES:					
Due to other agencies	\$ 1,569	-	-	-	1,569
Uncollected taxes	2,994,405	-	-	-	2,994,405
Accounts payable	4,535	-	-	-	4,535
Undistributed taxes	304,033	-	-	-	304,033
Deposits held in trust for others	<u>-</u>	<u>55,266</u>	<u>2,732</u>	<u>14,206</u>	<u>72,204</u>
TOTAL LIABILITIES	\$ <u>3,304,542</u>	<u>55,266</u>	<u>2,732</u>	<u>14,206</u>	<u>3,376,746</u>

OTHER SUPPLEMENTAL SCHEDULES

Schedule 1 - Schedule of Changes in Assets and Liabilities - Agency Funds

AS OF JUNE 30, 2007

	<u>Treasurer Fund</u>	<u>El Valle Foundation Fund</u>	<u>Employee Fund</u>	<u>Inmate Trust Fund</u>	<u>Total</u>
Assets, July 1, 2006	\$ 3,245,939	59,481	1,767	5,473	3,312,660
Increase	6,557,345	8,040	3,041	78,885	6,647,311
Decrease	<u>6,498,742</u>	<u>12,255</u>	<u>2,076</u>	<u>70,152</u>	<u>6,583,225</u>
Assets, June 30, 2007	\$ <u>3,304,542</u>	<u>55,266</u>	<u>2,732</u>	<u>14,206</u>	<u>3,376,746</u>
Liabilities, July 1, 2006	\$ 3,245,939	59,481	1,767	5,473	3,312,660
Increase	5,106,705	8,040	3,041	78,885	5,196,671
Decrease	<u>5,048,102</u>	<u>12,255</u>	<u>2,076</u>	<u>70,152</u>	<u>5,132,585</u>
Liabilities, June 30, 2007	\$ <u>3,304,542</u>	<u>55,266</u>	<u>2,732</u>	<u>14,206</u>	<u>3,376,746</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements

The following is a list of Joint Powers Agreements the County has entered into:

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
Sangre de Cristo Solid Waste Authority/San Miguel/Mora County/City of Las Vegas/Wagon Mound/Pecos Memo of Understanding	City of Las Vegas/ Fiscal Agent	6/30/1994	N/A	Formula Funded	Formula Funded	\$ 15,300	City of Las Vegas
San Miguel County/NM Assoc. Counties Multi-time Pool	NMAG	7/27/2000	N/A	N/A	\$ 240,359	\$ 240,359	NMAC
San Miguel/Pecos Village Solid Waste Services	N/A	8/1/2000	8/1/2020	N/A	\$ 212,519	\$ 212,519	County
San Miguel County/City of Las Vegas Animal Control	SMC	12/15/2004	12/15/2009	N/A	\$ 10,000	\$ 10,000	SMC
San Miguel County/Dept. of Transportation NM Right of Way	SMC	3/18/2002	3/18/2012	N/A	N/A	N/A	SMC
San Miguel County/Dept. of Transportation NM Road Exchange	SMC	7/18/2002	N/A	N/A	N/A	N/A	SMC
San Miguel County/City of Las Vegas Aid Emergency	SMC	6/23/2003	N/A	N/A	N/A	N/A	SMC
San Miguel County/Curry County Adult Detention	SMC	1/31/2003	1/31/2008	38.00/day	N/A	N/A	SMC
San Miguel County/New Mexico State University GIS Mapping	SMC	7/1/2003	6/30/2009	\$ 91,027	\$ 13,171	N/A	SMC

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/Guadalupe County Adult Detention	SMC	8/1/2004	7/31/2005	85.65/day	N/A	N/A	SMC
San Miguel County/Mora County Adult Detention	SMC	1/11/2005	1/11/2009	53.00/day	N/A	N/A	SMC
San Miguel County/Pecos Valley Ambulance Service	SMC	1/1/2005	12/31/2005	N/A	\$ 150,000	N/A	SMC
San Miguel County/Harding County Adult Detention	SMC	5/10/2005	5/10/2009	45.00/day	N/A	N/A	SMC
San Miguel County/NM Health Centers Building Lease	SMC	4/12/2005	4/12/2015	N/A	N/A	N/A	SMC
San Miguel County/City of Las Vegas Adult Detention	SMC	4/12/2005	4/12/2009	65.00/day	N/A	N/A	SMC
San Miguel County/Los Alamos Adult Detention	SMC	5/23/2003	5/23/2007	45.00/day	N/A	N/A	SMC
San Miguel County/Town of Taos Adult Detention	SMC	8/13/2002	8/13/2007	65.00/day	N/A	N/A	SMC
San Miguel County/Union County Adult Detention	SMC	7/11/2003	7/11/2008	49.00/day	N/A	N/A	SMC
San Miguel County/Cibola County Adult Detention	SMC	8/23/2004	8/23/2009	50.00/day	N/A	N/A	SMC

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/NM Corrections Dept. Security	SMC	7/8/2004	10/30/2005	19.00/hr. 23.00/hr.	N/A	N/A	SMC
San Miguel County/NM Corrections Dept. Security	SMC	8/27/2005	10/30/2005	19.00/hr. 23.00/hr.	N/A	N/A	SMC
San Miguel County/Las Vegas/SMC Ec. Dev. Inc. Support of Medite Job Creation Project	SMC	11/14/2005	N/A	N/A	N/A	N/A	SMC
San Miguel County/City of Las Vegas Ambulance Service	Las Vegas	6/7/2006	N/A	UNK	45%	N/A	SMC
San Miguel County/Department of Transportation Road Clearing Services for County Road A27	SMC	8/15/2006	N/A	N/A	N/A	N/A	SMC
SMC/DWI Planning Council/Las Vegas City Police Community DWI Funds	SMC	10/10/2006	5/30/2007	\$ 2,000	N/A	N/A	SMC
SMC/DWI Planning Council/Las Vegas DWI School Facilitators Community DWI Funds	SMC	10/10/2006	6/30/2007	\$15/Client	N/A	N/A	SMC
SMC/DWI Planning Council/Victory Royal Express Safe Ride Home Services	SMC	10/10/2006	6/30/2007	\$1.45/mile outside L.V. city limits	N/A	N/A	SMC
San Miguel County/Santa Fe County Recycling Services	SMC	12/1/2006	N/A	N/A	N/A	N/A	Santa Fe
San Miguel County/NM Econ. Dev. Dept. Acquisition & Development of San Miguel County Work Business Park	SMC	4/2/2007	6/30/2007	N/A	N/A	N/A	N/A

FINANCIAL DATA SCHEDULE

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Financial Data Schedule



YEAR ENDED JUNE 30, 2007

HUD Line Item #	<u>Accounts</u>	<u>Section 8 Rental Voucher 14.855</u>
	ASSETS:	
111	Section 8 Fund Cash	\$ <u>195,974</u>
	TOTAL ASSETS	\$ <u><u>195,974</u></u>
	LIABILITIES AND FUND BALANCES:	
	Liabilities:	
331	Accrued payroll	\$ 2,604
	Due to others	100
342	Deferred revenue	<u>166,701</u>
	Total liabilities	169,405
	Fund balances:	
512	Unreserved, undesignated	<u>26,569</u>
	Total fund equity	<u>26,569</u>
	TOTAL LIABILITIES AND FUND BALANCES	\$ <u><u>195,974</u></u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

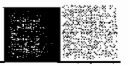
Financial Data Schedule - continued

YEAR ENDED JUNE 30, 2007

HUD Line Item #	Accounts	Section 8 Rental Voucher 14.855
	REVENUE:	
706	HUD PHA Grants	\$ 820,412
711	Investment revenue	<u>2,129</u>
	TOTAL REVENUE	822,541
	EXPENDITURES:	
962	Other general expenses	64,339
976	Housing assistance payments	746,333
	Capital outly	<u>8,751</u>
	TOTAL EXPENDITURES	<u>819,423</u>
	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>3,118</u>
	MEMO ACCOUNTING INFORMATION:	
1103	Beginning equity	\$ <u>23,451</u>
513	Total fund equity	\$ <u>26,569</u>

SINGLE AUDIT

Supplemental Schedule of Expenditures of Federal Awards



YEAR ENDED JUNE 30, 2007

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Federal Participating Expenditures
U.S. Department of Housing & Urban Development		
Community Development Block Grant	14.219	\$ 25,189
Section 8 Choice Vouchers Program	14.871	<u>820,412</u>
Total U.S. Department of Housing & Urban Development		845,601
U.S. Department of Agriculture (USDA)		
Community Facilities Loans and Grants	10.766	<u>91,960</u>
Total U.S. Department of Agriculture (USDA)		91,960
U.S. Department of Homeland Security		
Assistance to Firefighters Grant	97.044	<u>49,945</u>
Total U.S. Department of Homeland Security		49,945
U.S. Department of Justice		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	<u>9,976</u>
Total U.S. Department of Justice		<u>9,976</u>
Total		\$ <u>997,482</u>

Notes to the Supplemental Schedule of Expenditures of Federal Awards

GENERAL

The accompanying Supplemental Schedule of Expenditures of Federal Awards presents the activities of all federal awards of the County.

BASIS OF ACCOUNTING

The accompanying Supplemental Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the financial statements.

**INDEPENDENT AUDITORS' 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***

Board of County Commissioners,
San Miguel County and
Mr. Hector H. Balderas
New Mexico State Auditor



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We have audited the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the budgetary comparisons for the general fund and major special revenue funds of the State of New Mexico, San Miguel County, (the County) as of and for the year ended June 30, 2007. We have also audited 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 and schedules as of and for the year ended June 30, 2007, and have issued our report thereon dated November 6, 2007, as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be

Board of County Commissioners,
San Miguel County and
Mr. Hector H. Balderas
New Mexico State Auditor

Internal Control Over Financial Reporting - continued

prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. Significant deficiencies are described in the accompanying schedule of findings and questioned costs as items 04-2, 04-6, 05-6, 07-1 and 07-5.

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 the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section, and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 04-2 and 04-6 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain immaterial instances of non-compliance, which are described in the accompanying schedule of findings and questioned costs as items 04-4, 04-11, 05-2, 07-2, 07-3, 07-4 and 07-6.

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

This report is intended solely for the information and use of management, County Commissioners, the Office of the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Meyers + Company, LLC
November 6, 2007

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



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Board of County Commissioners,
San Miguel County and
Mr. Hector H. Balderas
New Mexico State Auditor

Compliance

We have audited the compliance of the State of New Mexico, San Miguel County (the County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Board of County Commissioners
San Miguel County and
Mr. Hector H. Balderas
New Mexico State Auditor

Internal Control Over Compliance

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

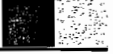
A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal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

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

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

This report is intended solely for the information and use of management, County Commissioners, the Office of the State Auditor, the New Mexico Legislature, the New Mexico Department of Finance and Administration, and federal award agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

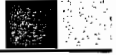

November 6, 2007



YEAR ENDED JUNE 30, 2007

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the basic financial statements of the State of New Mexico San Miguel County (County).
2. There were no instances of noncompliance material to the financial statements disclosed during the audit of the County.
3. There were five control deficiencies identified, of which two are considered to be material weaknesses to the financial statements of the County.
4. There were no control deficiencies over the internal control over major programs identified that were material weaknesses.
5. There were no audit findings that the auditor is required to report under 510(a) of Circular A-133.
6. The auditors' report on compliance for the major federal award programs for the County expresses an unqualified opinion.
7. The program tested as a major program was:
 Section 8 Housing Choice Vouchers - CFDA No. 14.871
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The County was determined to be a high-risk auditee.



B. FINDINGS - FINANCIAL STATEMENT AUDIT

Prior Year Findings (revised and updated)

04-2 MISCELLANEOUS RECEIPTS – TREASURER’S OFFICE - Repeated

Condition: The Treasurer’s Office’s miscellaneous receipts are not numbered sequentially by the system. Each day the Treasurer’s Office begins the day by issuing receipt #1.

Criteria: Proper internal control to safeguard the assets of the County dictates that sequentially numbered receipts be issued to maintain the accountability and integrity of the daily collection of monies by the County Treasurer’s Office. (Section 6-6-3; NMSA 1978 & Title 3, Chapter 6, Part 50, NMAC)

Cause: The Treasurer’s Office is not maintaining control over the miscellaneous receipts issued each day for monies collected by their office. The software currently in place does not have the ability to create numbered receipts

Effect: By not controlling the miscellaneous receipts issued by the Treasurer’s Office on a daily basis, the County exposes itself to possible loss of monies by the County through theft or loss due to lack of control over miscellaneous receipts.

Recommendation: The County should ask the current software provider to create a program that could generate sequentially numbered receipts. If this is not possible, the County should invest in new software that would be capable of handling basic functions such as issuing sequential receipts. We believe the benefits of a proper internal control system would outweigh the short-term cost of either updating or purchasing a new system.

Agency Response: The County Treasurer’s Office will continue requesting that an update of our present computer system be initiated to enable us to number receipts sequentially. We have also looked at other computer systems (e.g. Triadic), but we have been informed that the County does not have the money.

Specific to the numerical sequence of daily receipts, we have contacted the current software provider. They have assured us that they are working on the problem, but to date no solution has been found. We have also contacted Triadic, who has the type of program that we need, but we would need to buy their whole system, as their Receiving Program is not sold independently.

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

04-4 COUNTY TREASURER'S PROPERTY TAX SCHEDULE - Repeated

Condition: The County did not include a schedule of property taxes by recipient agency for the last ten years as supplemental information in this report. (SAO NMAC 2.2.2.12D)

Criteria: A schedule of property taxes by recipient agency is required by State Auditor Rule NMAC 2.2.2.12 D.

Cause: The County does not have the current staffing resources or the current software capabilities to generate the schedule.

Effect: The County is not in compliance with State Auditor Rule NMAC 2.2.2.12D.

Recommendation: We recommend the County dedicate resources to develop this schedule either manually using current staffing or by purchasing a software program with the ability to produce the required schedule.

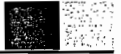
Agency Response: Without additional staffing, we cannot develop and maintain a property tax schedule. The County Treasurer's Office is concerned that a manually developed and maintained schedule will and/or can lead to more problems than it would solve. We will not ignore this concern, but under the present staffing and computer capabilities, there is not much we can do to resolve this problem.

Please note that we are continuing to address our computer's inability to give us access to the ongoing ten year balances owed to the various entities who are receiving their entitlements from property taxes.

04-6 PROPERTY TAX ACCOUNT – GENERAL LEDGER - Revised

Condition: The balance per the general ledger per fund account 109 (agency fund) and the reconciled cash balance per the Treasurer do not agree in the amount of \$64,536.

Criteria: Proper internal control to safeguard assets for the various agencies is required in order to maintain the accountability and integrity of property tax and miscellaneous revenues received and processed. (Section 6-6-3; NMSA 1978 & Title 3, Chapter 6, Part 50; NMAC)



B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

04-6 PROPERTY TAX ACCOUNT – GENERAL LEDGER – Revised - continued

Cause: This account has not been balanced in the past and the County continues to operate the account without preparing a proper reconciliation.

Effect: As long as the account remains out of balance, the County's exposure to misappropriation of public monies is increased. Currently, the County cannot rely on the general ledger balance or activity for the property tax account.

Recommendation: We recommend that a new account be created to account for all current Treasurer's Department bank transactions, and that this account be reconciled to the County's general ledger monthly. As for the old account, it should not have any activity go through it until the County has the time and resources to properly reconcile any remaining balances within the account. This procedure should happen as soon as possible.

Agency Response: The County Treasurer's Office is very concerned that this account has not been balanced in the past, and the County continues to operate the account without preparing a proper reconciliation. The County Treasurer's Office will work with finance to create a new account for all current Treasurer Department bank transactions and to have this account reconciled to the County's general ledger monthly. The mechanics of how the new account will be developed will be worked out between the Treasurer's Office, the Finance Office and the auditors to ensure legal and financial compliance. With the appropriate time and staffing resources, we will be able to address the reconciliation of the old account. How soon this happens will depend on the County's approval for one additional staff member.

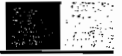
04-11 LODGERS TAX AUDIT REPORTS - Repeated

Condition: The County has not submitted a Lodgers Tax Audit Report to the DFA.

Criteria: A Lodgers Tax Audit Report is required to be submitted to DFA every three (3) years if less than \$250,000 in taxes is collected per year. (Sections 3-38-17.1 and 3-38-17.2(A); NMSA 1978)

Cause: The County did not submit the required Lodgers Tax Audit Report as required by state statute.

Effect: By not submitting required audit reports, the County is in violation of state statutes.



B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

04-11 LODGERS TAX AUDIT REPORTS – Repeated - continued

Recommendation: We recommend that the County submit the required Audit Reports to Local Government Division as soon as possible.

Agency Response: San Miguel County will either perform this duty in-house or hire a contractor to provide this service for San Miguel County.

05-2 UNTIMELY DEPOSITS – Repeated and Revised

Condition: During Cash Receipt test work, 1 out of 40 receipts tested were not deposited in a timely manner (longer than 48 hours).

Criteria: State law requires public funds to be deposited in a timely manner.

Cause: Lack of proper controls over cash receipts.

Effect: Non-compliance with state law.

Recommendation: Cash receipts should be deposited in a timely manner, which would be daily.

Agency Response: Normally, deposits are made on the day they are received. However, there are some instances in which a check is mailed to a department rather than to the Finance and/or Treasurer's Office. The Finance Office will send a letter to the departments requesting any funds must be deposited on a daily basis.

Deposits are made daily in night deposit boxes and these deposits are processed the next business day by the bank personnel. All receipts are deposited in a timely manner, and more specifically, well within a 24 hour period.

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

05-6 SOLID WASTE ACCOUNTS RECEIVABLE – Repeated and Revised

Condition: The County was unable to reconcile the solid waste fund accounts receivable balance at year end. The balance was overstated by \$1,624,775.

Criteria: Proper accounting procedures require the proper accounting and reconciling of all accounts. The Department of Finance and Administration's *Model Accounting Practices* (Volume 1, Chapter 8, Section 3.2) requires monthly reconciliations of all accounts

Condition: The County was unable to reconcile the solid waste fund accounts receivable balance at year end. The balance was excessively overstated.

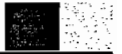
Criteria: Proper accounting procedures require the proper accounting and reconciling of all accounts. The Department of Finance and Administration's *Model Accounting Practices* (Volume 1, Chapter 8, Section 3.2) requires monthly reconciliations of all accounts

Cause: The County lacks the staff due to budget shortfalls to hire the required personnel to reconcile the solid waste fund. The reconciliation process would require an employee to go through the past year's general ledgers and determine which receivable balances are collectable and uncollectible.

Effect: The County does not truly know what amount of solid waste accounts receivable it can collect. Without knowing which receivables are valid, the County can not collect any of the outstanding billings.

Recommendation: We recommend that the County either assign a current employee or hire a new employee with adequate experience to first reconcile the accounts receivable balance to the general ledger and then go through the balance to determine which accounts are still collectable. As the gross balance of the account on the general ledger is in excess of 1 million dollars, the importance of reconciling this account should be of high significance to the County.

Agency Response: The County Commission approved a part-time position to assist with this reconciliation. The first approach is to review accounts in which we are receiving returned mail to determine if the individual owns property within San Miguel County. If we cannot find that they have owned property within the County, a listing will be provided to the Commission for the removal of the receivable. The next approach is to review old outstanding accounts to verify the same type of information. After these approaches are completed, we will evaluate the accounts receivable balances to determine if they are reasonably stated.



B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

Current Year Findings

07-1 FINANCE DEPARTMENT SEGREGATION OF DUTIES

Statement of Condition: Currently, journal vouchers are created, approved and entered into the accounting system by the same individual.

Criteria: Strong internal control calls for a segregation of duties within any given accounting cycle.

Cause: Lack of cross-training.

Effect: Errors could be made that are not identified prior to posting the journal voucher. This could create errors with ending account balances.

Recommendation: We recommend the cross-training of employees to ensure all journal vouchers are able to go through a proper review process before they are posted to the general ledger. Employees should be trained to prepare journal vouchers, which should then be approved by the Finance Director.

Agency Response: The County agrees with the importance of the segregation of duties. There has been some training on the journal voucher process. The finance supervisor will delegate this duty to employees within the office in order to separate the duties.

07-2 PER DIEM VIOLATION

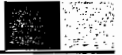
Statement of Condition: During internal control test work over payroll disbursements, it was noted that an employee was given a cash advance in excess of 80% of the total anticipated per diem amount.

Criteria: Per NMAC code section 2.42.2.9 DFA Rule 95-1 section 4, employees may be advanced up to 80% of the total anticipated per diem amount.

Cause: Management oversight.

Effect: Employees may receive a larger advance than what is allowed by state law.

Recommendation: We recommend that the County implement a thorough review process of all per diem requests and recalculate the advance amounts.



B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

07-2 PER DIEM VIOLATION - continued

Agency Response: The County does practice issuing 80% advances for travel. In this particular instance, there was an oversight where the advance should have been \$77.60. In looking at the document, the 80% was calculated correctly but the \$77.60 was mistakenly read as \$97.60.

07-3 BACKGROUND CHECK

Statement of Condition: During payroll test work, of 40 employees tested one employee in a law enforcement position did not have a background check.

Criteria: The County requires a background check on all employees working in law enforcement positions.

Cause: Management oversight.

Effect: Individuals having criminal charges could be allowed to carry and maintain a weapon.

Recommendation: The County should ensure all employees working in a law enforcement position have a background check on file.

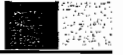
Agency Response: The County agrees with this finding, with the additional statement that this individual has been employed by San Miguel County since 2000. Although it has been our practice to require a background check, it was not required per policy until September 11, 2007.

07-4 HOLIDAY PAY

Statement of Condition: During payroll test work, of 40 employees tested one employee was not paid time and a half for holiday time worked.

Criteria: Per County policy, all employees working overtime hours during a holiday are to be paid time and a half.

Cause: Because of a change in the payroll system for pay outs of overtime, the correct charge code was not in the system.



B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

07-4 HOLIDAY PAY - continued

Effect: Expenditures reported for salaries for the year are understated, and one employee received an underpayment of wages.

Recommendation: Verify that time charge codes in payroll system are set at correct pay rates.

Agency Response: The rate for this particular individual was inadvertently entered in at straight time as opposed to time and a half. When this was discovered, the finance office reviewed all rates to ensure accuracy of the correct rates. We found one other instance for a new hire and corrections have been made to the rate and to the pay.

07-5 CAPITAL ASSETS ADDITIONS

Statement of Condition: During our test work over capital assets, we noted that assets were being added to the capital asset listing prior to incurring the expenditure.

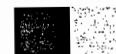
Criteria: Rights of ownership have not occurred until the item(s) is received and an expenditure has been incurred.

Cause: Some assets are added to the capital asset listing at the time of purchase order issuance, rather than at the time of receipt.

Effect: Overstatement of capital assets.

Recommendation: We recommend that capital assets be added to the listing at the time the item(s) qualifying as a capital asset is received and an expenditure has been incurred.

Agency Response: The County concurs with the finding. We will ensure that assets are added on to the listing at the time of receipt.



B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

07-6 CAPITAL ASSET DISPOSALS

Condition: During test work over capital assets disposition, it was noted that the County did not notify the New Mexico State Auditor before disposing of assets. It was noted that the asset in question, a County building, was approved by the County commission for demolition.

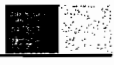
Criteria: Sale of Public Property (13-6-1 to 13-6-4 NMSA 1978).

Cause: The County was unaware that the New Mexico State Auditor must be notified of all items to be disposed of 30 days prior to the disposition action.

Effect: Noncompliance with the Sale of Public Property (13-6-1 to 13-6-4 NMSA 1978).

Recommendation: In the future, any item that will be removed from the capital listing should be submitted to the New Mexico State Auditor for notification prior to disposal.

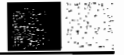
Agency Response: The County has informed the State Auditor's Office of disposals that will ultimately result in a sale of a fixed asset, but we did not inform them that we were demolishing an asset. We will make sure we are consistently informing the State Auditor's Office with regard to deletions of fixed assets.



**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

None.

Summary Schedule of Prior Year Audit Findings



STATUS OF PRIOR YEAR AUDIT FINDINGS

Finding No.	Description	Status
04-2	Miscellaneous Receipts – Treasurer’s Office	Repeated
04-4	County Treasurer’s Property Tax Schedule	Repeated
04-6	Property Tax Account – General Ledger	Revised
04-11	Lodger’s Tax Audit Reports	Repeated
05-2	Untimely Deposits	Repeated
05-3	Non-accruals	Resolved
05-5	Landfill Maintenance	Resolved
05-6	Solid Waste Accounts Receivable	Repeated
05-8	Housing Authority Segregation of Duties	Resolved
05-9	No Conflict of Interest Statements	Resolved
06-1	Missing I-9 Form	Resolved
06-2	U.S. Department of Justice COPS Program Reporting – CFDA 16.710	Resolved

An exit conference was held with the County on November 8, 2007. The conference was held in the San Miguel County, County Manager's Office. In attendance were:

STATE OF NEW MEXICO SAN MIGUEL COUNTY

Hugh H. Ley, Chairman of the Board of County Commissioners
Les W. J. Montoya, County Manager
Melinda Gonzales, Finance Director

MEYNNERS + COMPANY, LLC

Georgie Ortiz, CPA, CGFM, Assurance Partner
Raul Anaya, CPA, CGFM, Assurance Senior

PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by the Independent Auditor.

