


**STATE OF NEW MEXICO  
SAN MIGUEL COUNTY**

**Financial Statements  
for the Year Ended  
June 30, 2008,  
and Independent  
Auditors' Report**

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Official Roster

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Year Ended June 30, 2008

NAME

TITLE

BOARD OF COUNTY COMMISSIONERS

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

## 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, 2008, 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, 2008, 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, 2008, 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 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, 2008, and the respective changes in financial position thereof, and the budget comparisons for the non-major governmental and the major

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ent Member of the BDO Seidman Alliance

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

enterprise fund, the Courthouse Remodeling major capital project fund and the Capital Outlay/Infrastructure Revenue Bond 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 3, 2008, 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 3, 2008



STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Management's Discussion and Analysis  
Year Ended June 30, 2008

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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, 2008.

**Financial Highlights**

Effective July 1, 2007, the second one-eighth capital outlay gross receipt tax (GRT) was enacted. 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 refinanced 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. Through a Public Project Revolving Fund Loan, the county was able to obtain \$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.

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.

**Overview of the Financial Statements - continued**

**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 one of 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-two other individual governmental funds, of which thirty six are classified as Special Revenue funds, six are classified as Debt Service funds, and four are classified as Capital Projects funds. Information for the General fund, the Detention fund, Road Project Special Appropriation fund, Fire District funds, Courthouse Remodeling fund, Community Projects fund, and Capital Outlay/Infrastructure Revenue Bond 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.

The County adopts an annual appropriated budget for its General fund. A budgetary comparison statement for the General fund is presented on page 11. 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.

**Overview of the Financial Statements - continued**

**Fund Financial Statements - continued**

**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 \$19,385,732. The net asset category, invested in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt, is at a positive \$7,731,793. 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.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Management's Discussion and Analysis - continued  
Year Ended June 30, 2008

**Financial Analysis of the County as a Whole**

**Net Assets**

Table A-1 summarizes the County's net assets for the fiscal year ending June 30, 2008.

**Table A-1  
The County's Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	FY2008	FY2007	FY2008	FY2007	FY2008	FY2007
<b>Assets:</b>						
Current and other assets	\$ 12,580,634	10,742,064	-	-	12,580,634	10,742,064
Capital assets	<u>23,753,511</u>	<u>20,829,050</u>	<u>696,785</u>	<u>717,903</u>	<u>24,450,296</u>	<u>21,546,953</u>
<b>Total assets</b>	<b>\$ <u>36,334,145</u></b>	<b><u>31,571,114</u></b>	<b><u>696,785</u></b>	<b><u>717,903</u></b>	<b><u>37,030,930</u></b>	<b><u>32,289,017</u></b>
<b>Liabilities:</b>						
Current liabilities	\$ 926,695	3,752,645	-	-	926,695	3,752,645
Long-term liabilities	<u>16,021,718</u>	<u>12,482,126</u>	-	-	<u>16,021,718</u>	<u>12,482,126</u>
<b>Total liabilities</b>	<b>16,948,413</b>	<b>16,234,771</b>	<b>-</b>	<b>-</b>	<b>16,948,413</b>	<b>16,234,771</b>
<b>Net assets:</b>						
Invested in capital assets, net of related debt	<b>7,731,793</b>	7,358,822	-	-	<b>7,731,793</b>	7,358,822
Restricted	-	-	-	-	-	-
Unrestricted	<u>11,653,939</u>	<u>7,977,521</u>	<u>696,785</u>	<u>717,903</u>	<u>12,350,724</u>	<u>8,695,424</u>
<b>Total net assets</b>	<b><u>19,385,732</u></b>	<b><u>15,336,343</u></b>	<b><u>696,785</u></b>	<b><u>717,903</u></b>	<b><u>20,082,517</u></b>	<b><u>16,054,246</u></b>
<b>Total liabilities and net assets</b>	<b>\$ <u>36,334,145</u></b>	<b><u>31,571,114</u></b>	<b><u>696,785</u></b>	<b><u>717,903</u></b>	<b><u>37,030,930</u></b>	<b><u>32,289,017</u></b>

The significant change in net assets for fiscal year 2008 as compared to fiscal year 2007 was an increase of \$4,049,389 in capital assets. The reasons for the increase in net assets is due to construction work at the Detention Center, the Fair Grounds, El Centro Family Health, La Placitas Volunteer Fire Department (VFD), San Jose Community Center, Cabo Lucero (VFD) and county parking lots. The increase also reflects work on various road/infrastructure improvements and vehicle purchases for volunteer fire departments, the sheriff's office and public works.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Management's Discussion and Analysis - continued  
Year Ended June 30, 2008

**Financial Analysis of the County as a Whole - continued**

**Changes in Net Assets**

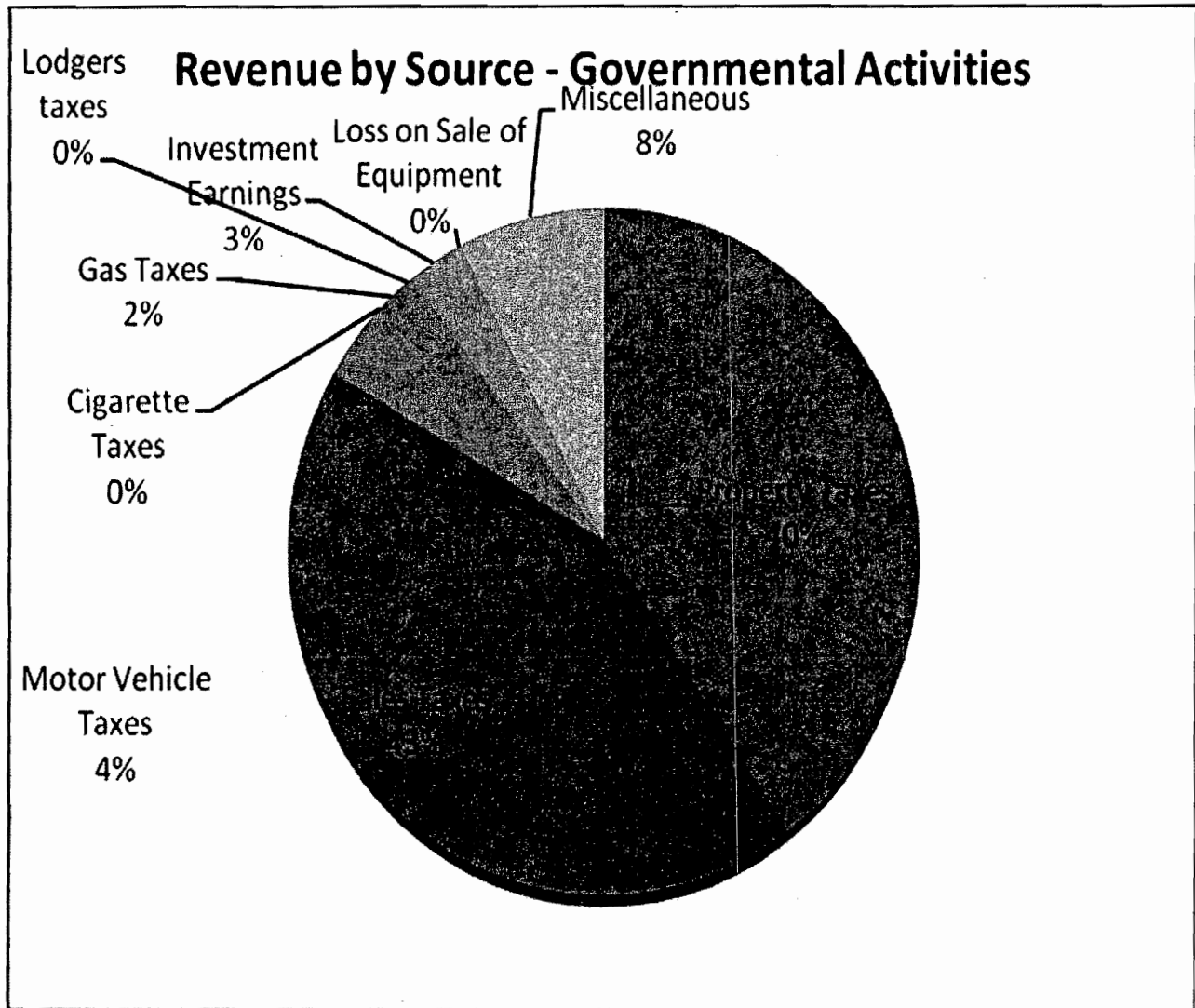
Table A-2 summarizes the County's changes in net assets for fiscal year 2008. Governmental activities during the year increased the County's net assets by \$4,017,667.

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

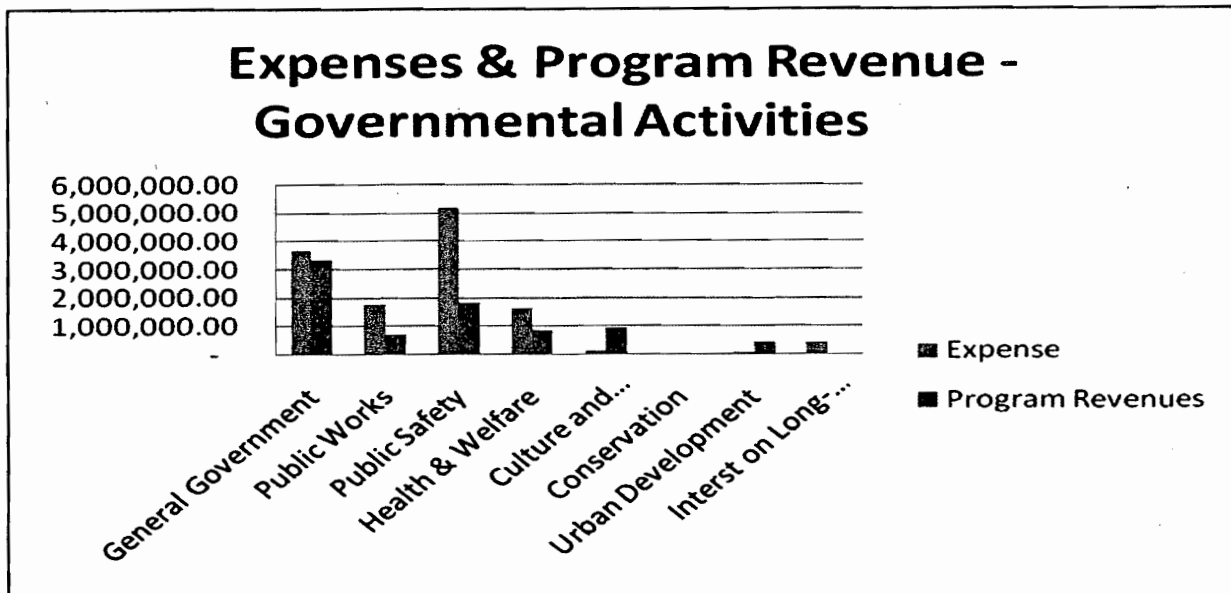
	Governmental Activities		Business-Type Activities		Total	
	FY2008	FY2007	FY2008	FY2007	FY2008	FY2007
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 1,051,572	1,195,139	-	-	1,051,572	1,195,139
Operating grants & contributions	5,910,816	3,821,080	-	-	5,910,816	3,821,080
Capital grants & contributions	1,034,159	2,596,732	-	-	1,034,159	2,596,732
<b>General revenues:</b>						
Property taxes	3,575,023	3,364,049	-	-	3,575,023	3,364,049
Other taxes	4,327,706	4,376,332	-	-	4,327,706	4,376,332
Investment income	245,876	333,879	-	-	245,876	333,879
Other	666,190	144,575	-	-	666,190	144,575
<b>Total revenues</b>	<b>16,811,342</b>	<b>15,831,786</b>	<b>-</b>	<b>-</b>	<b>16,811,342</b>	<b>15,831,786</b>
<b>Expenses:</b>						
General government	3,652,663	3,443,261	-	-	3,652,663	3,443,261
Public works	1,775,705	2,211,711	-	-	1,775,705	2,211,711
Public safety	5,179,432	4,779,720	-	-	5,179,432	4,779,720
Health & welfare	1,632,618	1,305,998	-	-	1,632,618	1,305,998
Culture & recreation	86,873	58,810	-	-	86,873	58,810
Conservation	760	171,980	-	-	760	171,980
Urban redevelopment	37,633	65,837	-	-	37,633	65,837
Interest on long-term debt	427,991	556,073	-	-	427,991	556,073
Ribera Housing	-	-	21,118	21,118	21,118	21,118
<b>Total expenses</b>	<b>12,793,675</b>	<b>12,593,390</b>	<b>21,118</b>	<b>21,118</b>	<b>12,814,793</b>	<b>12,614,508</b>
<b>Increase in net assets</b>	<b>\$ 4,017,667</b>	<b>3,238,396</b>	<b>(21,118)</b>	<b>(21,118)</b>	<b>3,996,549</b>	<b>3,217,278</b>

The County's revenues increased by 6.18% from the previous fiscal year. The most significant change were related to the amount of road project reimbursed and money received from the Fourth Judicial District Attorney's to offset renovation costs to their building. Total expenditures were relatively flat at an increase of 1.59% over fiscal year 2007 amounts.

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, 2008, the County had \$4,049,278 invested in a broad range of capital assets. The capital assets include construction work at the Detention Center, the Fair Grounds, El Centro Family Health, La Placitas Volunteer Fire Department (VFD), San Jose Community Center, Cabo Lucero (VFD) and county parking lots. The increase also reflects work on various road/infrastructure improvements and vehicle purchases for volunteer fire departments, the sheriff's office and public works.

The County's fiscal year 2009 capital budget calls for \$9,776,375 in capital projects, principally for the remodeling of the County Courthouse, the purchase or lease of a crushing plant, a new Public Works Facility, 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.

**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 measurer's 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 \$10,301,711. Approximately 23.5% 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.

### **Financial Analysis of the County's Funds**

#### **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 \$5,071,030 and actual revenues received were \$5,192,532, which is a positive variance of \$121,502. This variance is mainly attributed to the collection of property taxes. The county typically receives 83% of the current year taxed during the fiscal year with the remaining amount collected in subsequent years.

The General Fund Budgeted Expenditures had a positive variance of \$534,298. The variance consists of approximately \$150,000 in vehicle capital outlay that was budgeted but not yet expended. The county also realized approximately \$127,000 in vacancy savings. There were also savings amounting to approximately \$110,000 in savings related to printing and data processing.

#### **Capital Assets**

For fiscal year 2008, there were approximately \$4,049,278 in additions. The additions were related to work at the Detention Center, the Fair Grounds, El Centro Family Health, La Placitas Volunteer Fire Department (VFD), San Jose Community Center, Cabo Lucero (VFD) and county parking lots. The increase also reflects work on various road/infrastructure improvements and vehicle purchases for volunteer fire departments, the sheriff's office and public works.

#### **Debt**

At year-end, the County had approximately \$15,869,465 in bonds and notes outstanding for governmental activities. There were two new loans during fiscal year 2008. These loans consist of a \$1,496,727 in refinancing loans and \$3,259,814 in new loans for the purposes of remodeling the County Courthouse, construction of the Public Works Facility and to purchase/lease a rock crushing plant.

#### **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 located at Finance Office, 500 West National Suite 304, Las Vegas, NM 87701.



**FINANCIAL STATEMENTS**

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Statement of Net Assets

AS OF JUNE 30, 2008

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS:</b>			
Cash and cash equivalents (Note 2)	\$ 8,126,496	-	8,126,496
Accounts receivable (Note 3)	3,581,156	-	3,581,156
Prepaid assets	533,917	-	533,917
Other assets	299,553	-	299,553
Due from agency fund (Note 6)	39,513	-	39,513
Capital assets, net of accumulated depreciation (Note 4):			
Land	1,479,393	492,993	1,972,386
Construction in Progress	1,496,730	-	1,496,730
Buildings and improvements	13,729,658	203,792	13,933,450
Furniture and fixtures	395,994	-	395,994
Vehicles	1,571,432	-	1,571,432
Heavy equipment	173,829	-	173,829
Infrastructure	4,906,475	-	4,906,475
<b>TOTAL ASSETS</b>	<b>\$ 36,334,146</b>	<b>696,785</b>	<b>37,030,931</b>
<b>LIABILITIES AND NET ASSETS:</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 360,261	-	360,261
Accrued payroll	223,026	-	223,026
Deferred revenue	220,432	-	220,432
Other liabilities	62,331	-	62,331
Accrued interest	60,646	-	60,646
Long-term liabilities (Note 5):			
Due within one year	988,427	-	988,427
Due in more than one year	15,033,291	-	15,033,291
<b>TOTAL LIABILITIES</b>	<b>16,948,414</b>	<b>-</b>	<b>16,948,414</b>
<b>NET ASSETS:</b>			
Invested in capital assets, net of related debt	7,731,793	696,785	8,428,578
Unrestricted	11,653,939	-	11,653,939
<b>TOTAL NET ASSETS</b>	<b>19,385,732</b>	<b>696,785</b>	<b>20,082,517</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 36,334,146</b>	<b>696,785</b>	<b>37,030,931</b>

YEAR ENDED JUNE 30, 2008

		<b>Program Revenues</b>	
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>
<b>PRIMARY GOVERNMENT:</b>			
<b>GOVERNMENTAL ACTIVITIES:</b>			
General government	\$ 3,652,663	413,202	1,865,778
Public works	1,775,705	628,215	71,313
Public safety	5,179,432	10,155	1,772,346
Health and welfare	1,632,618	-	844,309
Culture and recreation	86,873	-	947,483
Conservation	760	-	3,276
Urban redevelopment	37,633	-	406,311
Interest on long-term debt	<u>427,991</u>	<u>-</u>	<u>-</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>12,793,675</b>	<b>1,051,572</b>	<b>5,910,816</b>
<b>BUSINESS-TYPE ACTIVITIES:</b>			
Ribera Housing	<u>21,118</u>	<u>-</u>	<u>-</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>21,118</b>	<b>-</b>	<b>-</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ <u>12,814,793</u></b>	<b><u>1,051,572</u></b>	<b><u>5,910,816</u></b>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Statement of Activities

<u>Capital Grants and Contributions</u>	<u>Primary Government</u>		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	
1,029,788	(343,895)	-	(343,895)
-	(1,076,177)	-	(1,076,177)
4,371	(3,392,560)	-	(3,392,560)
-	(788,309)	-	(788,309)
-	860,610	-	860,610
-	2,516	-	2,516
-	368,678	-	368,678
-	(427,991)	-	(427,991)
1,034,159	(4,797,128)	-	(4,797,128)
-	-	(21,118)	(21,118)
-	-	(21,118)	(21,118)
<u>1,034,159</u>	<u>(4,797,128)</u>	<u>(21,118)</u>	<u>(4,818,246)</u>
General revenues:			
Taxes:			
Property taxes	\$ 3,575,023	-	3,575,023
Sales taxes	3,797,797	-	3,797,797
Motor vehicle taxes	339,341	-	339,341
Cigarette taxes	1,099	-	1,099
Gas taxes	151,280	-	151,280
Lodgers taxes	38,189	-	38,189
Investment earnings	245,876	-	245,876
Loss on sale of equipment	(19,942)	-	(19,942)
Miscellaneous	686,132	-	686,132
Total general revenues	<u>8,814,795</u>	-	<u>8,814,795</u>
Change in net assets	4,017,667	(21,118)	3,996,549
Net assets, beginning	15,336,343	717,903	16,054,246
Restatements (Note 15)	<u>31,722</u>	-	<u>31,722</u>
Net assets, as restated	<u>15,368,065</u>	<u>717,903</u>	<u>16,085,968</u>
Net assets, ending	<u>\$ 19,385,732</u>	<u>696,785</u>	<u>20,082,517</u>

AS OF JUNE 30, 2008

	Major		
	General Fund	Detention Center	Road Projects Special Approp.
<b>ASSETS:</b>			
Cash and cash equivalents (Note 2)	\$ 759,241	419,213	44,184
Restricted cash	1,076	-	-
Property taxes receivable	1,472,788	-	-
Accounts receivable (Note 3)	51,802	129,441	838,985
Federal receivable	-	-	-
Prepaid expenses	123,997	3,000	-
Other assets	-	-	-
Due from other funds (Note 6)	<u>1,763,229</u>	<u>21,325</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>4,172,133</u></b>	<b><u>572,979</u></b>	<b><u>883,169</u></b>
<b>LIABILITIES:</b>			
Accounts payable	\$ 50,631	28,244	26,720
Accrued payroll	105,801	62,045	846
Deferred revenue	1,416,878	-	-
Debt service reserve	-	-	-
Due to other funds	<u>168,755</u>	<u>165,866</u>	<u>855,603</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,742,065</u></b>	<b><u>256,155</u></b>	<b><u>883,169</u></b>
<b>FUND BALANCES:</b>			
Reserved:			
Debt service	-	-	-
Unreserved for:			
General Fund	2,430,068	-	-
Special revenue funds	-	316,824	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCES</b>	<b><u>2,430,068</u></b>	<b><u>316,824</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>4,172,133</u></b>	<b><u>572,979</u></b>	<b><u>883,169</u></b>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

**Balance Sheet - Governmental Funds**

Funds					
Fire Districts	Courthouse Remodeling	Community Projects	Capital Outlay/ Infrastructure Revenue Bond	Other Governmental Funds	Total Governmental Funds
1,312,852	1,447,681	-	14,067	3,344,792	7,342,030
5,090	-	-	694,236	84,064	784,466
-	-	-	-	-	1,472,788
28,118	-	470,867	83,642	258,484	1,861,339
-	-	-	-	247,029	247,029
2,003	-	-	-	404,917	533,917
55,457	-	-	220,553	23,543	299,553
<u>64,987</u>	<u>160,000</u>	<u>-</u>	<u>462,851</u>	<u>637,171</u>	<u>3,109,563</u>
<u>1,468,507</u>	<u>1,607,681</u>	<u>470,867</u>	<u>1,475,349</u>	<u>5,000,000</u>	<u>15,650,685</u>
16,640	31,548	70,365	-	136,113	360,261
-	-	-	-	54,334	223,026
14,538	-	-	-	201,890	1,633,306
-	-	-	-	62,331	62,331
<u>74,146</u>	<u>-</u>	<u>428,698</u>	<u>616,632</u>	<u>760,350</u>	<u>3,070,050</u>
<u>105,324</u>	<u>31,548</u>	<u>499,063</u>	<u>616,632</u>	<u>1,215,018</u>	<u>5,348,974</u>
-	-	-	-	718,301	718,301
-	-	-	-	-	2,430,068
1,363,183	-	(28,196)	858,717	737,551	3,248,079
<u>-</u>	<u>1,576,133</u>	<u>-</u>	<u>-</u>	<u>2,329,130</u>	<u>3,905,263</u>
<u>1,363,183</u>	<u>1,576,133</u>	<u>(28,196)</u>	<u>858,717</u>	<u>3,784,982</u>	<u>10,301,711</u>
<u>1,468,507</u>	<u>1,607,681</u>	<u>470,867</u>	<u>1,475,349</u>	<u>5,000,000</u>	<u>15,650,685</u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

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YEAR ENDED JUNE 30, 2008

Total Fund Balance - Governmental Funds  
(Governmental Fund Balance Sheet) \$ 10,301,711

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:	38,519,989
Accumulated depreciation is:	<u>(14,766,478)</u>
Total capital assets	23,753,511

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

Deferred property tax revenue	1,412,874
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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)	(15,869,465)
Accrued interest	(60,646)
Compensated absences payable:	<u>(152,253)</u>

Total long-term and other liabilities	<u>(16,082,364)</u>
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Net assets of governmental activities (Statement of Net Assets)	\$ <u>19,385,732</u>
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YEAR ENDED JUNE 30, 2007

	<u>General Fund</u>	<u>Detention Center</u>	<u>Road Projects Special Approp.</u>
<b>REVENUES:</b>			
Intergovernmental:			
Operating grants and contributions	\$ 856,520	835,389	-
Capital grants and contributions	-	4,460	944,336
Federal grants	14,200	-	-
Taxes:			
Property	3,501,264	-	-
Sales	455,649	452,669	-
Motor vehicle	76,047	-	-
Gas	-	-	-
Cigarette	732	-	-
Lodgers	-	-	-
Licenses and fees	207,034	113,891	-
Interest income	86,474	4,728	-
Miscellaneous	78,066	-	275,174
<b>TOTAL REVENUES</b>	<b>5,275,986</b>	<b>1,411,137</b>	<b>1,219,510</b>
<b>EXPENDITURES:</b>			
Current:			
General government	3,028,386	34,916	-
Public works	-	-	-
Public safety	607,817	2,261,195	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Conservation	-	-	-
Urban redevelopment	-	-	-
Capital outlay	318,183	10,586	1,022,582
Debt service:			
Principal payments	16,909	-	-
Interest payments	13,434	-	-
Bond issuance cost	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>3,984,729</b>	<b>2,306,697</b>	<b>1,022,582</b>



STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

<u>Major Funds</u>					
<u>Fire Districts</u>	<u>Courthouse Remodeling</u>	<u>Community Projects</u>	<u>Capital Outlay/ Infrastructure Revenue Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
896,114	-	947,483	-	1,023,168	4,558,674
-	85,363	-	-	-	1,034,159
69,452	-	-	-	1,268,490	1,352,142
-	-	-	-	-	3,501,264
185,638	-	-	900,442	1,803,399	3,797,797
-	-	-	-	263,294	339,341
-	-	-	-	151,280	151,280
-	-	-	-	367	1,099
-	-	-	-	38,189	38,189
-	-	-	-	730,647	1,051,572
60,720	13,194	9	27,841	52,910	245,876
<u>13,620</u>	<u>217,642</u>	<u>-</u>	<u>-</u>	<u>101,630</u>	<u>686,132</u>
1,225,544	316,199	947,492	928,283	5,433,374	16,757,525
95,184	-	-	46,091	248,481	3,453,058
-	-	-	-	1,760,300	1,760,300
342,435	-	-	-	735,561	3,947,008
-	-	-	-	1,555,591	1,555,591
-	-	55,405	-	657	56,062
-	-	-	-	760	760
-	-	-	-	37,633	37,633
603,972	236,914	801,422	-	1,494,037	4,487,696
126,176	-	-	1,747,375	329,333	2,219,793
50,873	-	-	182,707	224,504	471,518
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,218,640</u>	<u>236,914</u>	<u>856,827</u>	<u>1,976,173</u>	<u>6,386,857</u>	<u>17,989,419</u>

YEAR ENDED JUNE 30, 2007

	<u>General Fund</u>	<u>Detention Center</u>	<u>Road Projects Special Approp.</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ 1,291,257	(895,560)	196,928
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	391,257	1,317,590	92,200
Transfers out	(1,181,769)	(218,340)	-
Proceeds from issuance of debt	-	-	-
Proceeds from the sale of capital assets	<u>2,763</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(787,749)</u>	<u>1,099,250</u>	<u>92,200</u>
<b>NET CHANGES IN FUND BALANCE</b>	503,508	203,690	289,128
<b>FUND BALANCE, BEGINNING</b>	1,926,560	113,134	(289,128)
<b>RESTATEMENTS</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, AS RESTATED</b>	<u>1,926,560</u>	<u>113,134</u>	<u>(289,128)</u>
<b>FUND BALANCE, ENDING</b>	\$ <u><u>2,430,068</u></u>	<u><u>316,824</u></u>	<u><u>-</u></u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

<u>Major Funds</u>					
<u>Fire Districts</u>	<u>Courthouse Remodeling</u>	<u>Community Projects</u>	<u>Capital Outlay/ Infrastructure Revenue Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
6,904	79,285	90,665	(1,047,890)	(953,483)	(1,231,894)
24,000	160,000	-	218,340	1,275,899	3,479,286
(65,257)	-	-	(866,632)	(1,147,288)	(3,479,286)
-	800,000	-	1,756,541	2,200,000	4,756,541
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,763</u>
<u>(41,257)</u>	<u>960,000</u>	<u>-</u>	<u>1,108,249</u>	<u>2,328,611</u>	<u>4,759,304</u>
(34,353)	1,039,285	90,665	60,359	1,375,128	3,527,410
1,397,536	536,848	(118,861)	798,358	2,378,132	6,742,579
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,722</u>	<u>31,722</u>
<u>1,397,536</u>	<u>536,848</u>	<u>(118,861)</u>	<u>798,358</u>	<u>2,409,854</u>	<u>6,774,301</u>
<u>1,363,183</u>	<u>1,576,133</u>	<u>(28,196)</u>	<u>858,717</u>	<u>3,784,982</u>	<u>10,301,711</u>

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, 2008**

**Net Changes in Fund Balances - Total Governmental Funds**  
**(Statement of Revenues, Expenditures, and Changes in Fund Balances)** \$ 3,527,410

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	(14,742)
Decrease in accrued interest	43,527

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	2,219,793
Debt proceeds	(4,756,541)

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	4,487,696
Depreciation expense	<u>(1,540,530)</u>
Excess of capital outlay over depreciation expense	<u>2,947,166</u>

The Statement of activities reports the loss on the sale of equipment, while the the Statement of Revenues, Expenditures and Changes in Fund Balance reports the proceeds. The reconciling amount is the difference: (22,705)

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 Revenue in Property Tax	<u>73,759</u>
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**Change in net assets of governmental activities (Statement of Activities)** **\$ 4,017,667**

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, 2008

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 2,922,018	2,950,000	3,205,211	255,211
Sales	440,000	450,250	453,018	2,768
Motor vehicle	80,000	80,000	83,191	3,191
Cigarette	400	500	732	232
Intergovernmental	1,028,000	1,044,480	860,542	(183,938)
Payment in lieu of taxes	275,000	275,000	283,799	8,799
Licenses and fees	193,000	205,550	206,284	734
Interest income	70,000	56,000	89,291	33,291
Miscellaneous	17,000	9,250	10,464	1,214
<b>TOTAL REVENUES</b>	<b>5,025,418</b>	<b>5,071,030</b>	<b>5,192,532</b>	<b>121,502</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
County commission	\$ 237,589	245,125	136,097	109,028
County manager	360,768	362,248	353,035	9,213
Information technology	121,405	119,846	107,382	12,464
Finance and administration	290,267	267,885	249,924	17,961
General county	644,052	617,598	552,182	65,416
Human resources	72,670	68,629	63,971	4,658
Zoning	145,677	143,991	139,018	4,973
Legal	94,272	95,240	94,494	746
County clerk	223,392	218,630	207,393	11,237
Assessor/reappraisal	465,825	435,115	420,992	14,123
Treasurer	267,550	266,255	262,728	3,527
Maintenance	170,806	173,610	162,438	11,172
Capital outlay	333,650	579,255	410,799	168,456
Total general government	3,427,923	3,593,427	3,160,453	432,974
Public safety:				
Sheriff	871,554	853,332	763,274	90,058
Capital outlay	20,000	20,892	18,426	2,466
Total public safety	891,554	874,224	781,700	92,524
Culture and recreation				-
Debt service:				
Principal payments	39,142	25,709	16,909	8,800
Interest payments	-	13,433	13,433	-
Total Debt Service	39,142	39,142	30,342	8,800
<b>TOTAL EXPENDITURES</b>	<b>4,358,619</b>	<b>4,506,793</b>	<b>3,972,495</b>	<b>534,298</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	91,257	391,257	391,257	-
Operating transfers out	(1,196,769)	(1,202,351)	(1,181,769)	(20,582)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,105,512)</b>	<b>(811,094)</b>	<b>(790,512)</b>	<b>(20,582)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER EXPENDITURES AND OTHER FUNDING SOURCES (USES))</b>	<b>\$ (438,713)</b>	<b>(246,857)</b>	<b>429,526</b>	<b>(676,382)</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ 438,713</b>	<b>246,857</b>		

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, 2008

	DETENTION CENTER			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 721,000	948,177	886,082	(62,095)
Taxes - sales	425,000	444,000	449,617	5,617
Licenses and fees	54,000	33,800	26,831	(6,969)
Interest income	600	1,200	4,728	3,528
Miscellaneous	<u>46,100</u>	<u>44,886</u>	<u>53,258</u>	<u>8,372</u>
<b>TOTAL REVENUES</b>	1,246,700	1,472,063	1,420,516	(51,547)
<b>EXPENDITURES - current:</b>				
Public safety:				
Operating expenses	2,412,760	2,482,998	2,291,214	191,784
Capital outlay	<u>10,000</u>	<u>83,363</u>	<u>26,237</u>	<u>57,126</u>
<b>TOTAL EXPENDITURES</b>	2,422,760	2,566,361	2,317,451	248,910
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	1,317,590	1,317,590	1,317,590	-
Operating transfers out	<u>(218,340)</u>	<u>(218,340)</u>	<u>(218,340)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>1,099,250</u>	<u>1,099,250</u>	<u>1,099,250</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	\$ <u><u>(76,810)</u></u>	<u><u>4,952</u></u>	<u><u>202,315</u></u>	<u><u>197,363</u></u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u><u>76,810</u></u>	<u><u>(4,952)</u></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, 2008

	ROAD PROJECTS - SPECIAL APPROPRIATION			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 3,608,629	3,608,629	839,972	(2,768,657)
Taxes - sales	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>3,608,629</b>	<b>3,608,629</b>	<b>839,972</b>	<b>(2,768,657)</b>
<b>EXPENDITURES - current:</b>				
Public safety:				
Operating expenses	2,968,600	3,018,600	983,781	2,034,819
Capital outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,968,600</b>	<b>3,018,600</b>	<b>983,781</b>	<b>2,034,819</b>
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	92,200	142,200	92,200	50,000
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>92,200</b>	<b>142,200</b>	<b>92,200</b>	<b>50,000</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ <u>732,229</u></b>	<b><u>732,229</u></b>	<b><u>(51,609)</u></b>	<b><u>(783,838)</u></b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ <u>(732,229)</u></b>	<b><u>(732,229)</u></b>		

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, 2008

	FIRE DISTRICTS			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ 180,000	180,000	187,411	7,411
Intergovernmental	1,650,040	1,688,040	1,001,861	(686,179)
Loan proceeds	23,425	38,500	-	(38,500)
Interest income	25,400	25,400	60,720	35,320
Miscellaneous	<u>2,700</u>	<u>2,700</u>	<u>6,593</u>	<u>3,893</u>
<b>TOTAL REVENUES</b>	1,881,565	1,934,640	1,256,585	(678,055)
<b>EXPENDITURES - current:</b>				
Fire Marshall				
Public Safety				
Operating	62,150	110,033	94,844	15,189
Capital outlay	<u>38,787</u>	<u>32,709</u>	<u>4,278</u>	<u>28,431</u>
	100,937	142,742	99,122	43,620
VFD Project				
Public Safety				
Operating	-	3,000	2,138	862
Capital outlay	<u>780,000</u>	<u>771,153</u>	<u>186,672</u>	<u>584,481</u>
	780,000	774,153	188,810	585,343
Sapello/Rociada VFD				
Public Safety				
Operating	33,900	40,637	21,673	18,964
Capital outlay	165,382	334,178	1,179	332,999
Prinpal and Interest	<u>6,045</u>	<u>6,045</u>	<u>6,044</u>	<u>1</u>
	205,327	380,860	28,896	351,964
Gallinas VFD				
Public Safety				
Operating	13,526	31,949	29,197	2,752
Capital outlay	108,932	116,351	87,041	29,310
Prinpal and Interest	<u>34,469</u>	<u>34,469</u>	<u>34,468</u>	<u>1</u>
	156,927	182,769	150,706	32,063
Conchas VFD				
Public Safety				
Operating	74,561	75,648	68,432	7,216
Capital outlay	<u>114,480</u>	<u>217,614</u>	<u>213,582</u>	<u>4,032</u>
	189,041	293,262	282,014	11,248



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, 2008

	FIRE DISTRICTS - continued			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>EXPENDITURES - current - continued:</b>				
El Pueblo VFD				
Public Safety				
Operating	\$ 39,900	49,641	37,098	12,543
Capital outlay	119,410	146,691	79,804	66,887
Prinpal and Interest	<u>7,686</u>	<u>7,686</u>	<u>7,685</u>	<u>1</u>
	166,996	204,018	124,587	79,431
Ilfeld VFD				
Public Safety				
Operating	20,900	22,074	16,383	5,691
Capital outlay	70,411	76,016	14,404	61,612
Prinpal and Interest	<u>11,053</u>	<u>11,053</u>	<u>11,052</u>	<u>1</u>
	102,364	109,143	41,839	67,304
Cabo Lucero VFD				
Public Safety				
Operating	19,736	19,175	17,576	1,599
Capital outlay	59,931	76,108	61,685	14,423
Prinpal and Interest	<u>14,408</u>	<u>14,408</u>	<u>14,407</u>	<u>1</u>
	94,075	109,691	93,668	16,023
Sheridan VFD				
Public Safety				
Operating	22,500	25,051	13,609	11,442
Capital outlay	90,558	123,802	-	123,802
Prinpal and Interest	<u>7,467</u>	<u>7,467</u>	<u>7,466</u>	<u>1</u>
	120,525	156,320	21,075	135,245
Trementina VFD				
Public Safety				
Operating	16,450	17,156	7,798	9,358
Capital outlay	56,876	75,803	-	75,803
Prinpal and Interest	<u>13,162</u>	<u>13,162</u>	<u>13,161</u>	<u>1</u>
	86,488	106,121	20,959	85,162
Emergency Fund VFD				
Public Safety				
Operating	-	28	554	(526)
Capital outlay	<u>102,555</u>	<u>95,923</u>	<u>16,088</u>	<u>79,835</u>
	102,555	95,951	16,642	79,309
Bernal/Tecolote VFD				
Public Safety				
Operating	36,770	47,774	42,341	5,433
Capital outlay	42,696	38,877	8,278	30,599
Prinpal and Interest	<u>16,570</u>	<u>16,570</u>	<u>16,035</u>	<u>535</u>
	96,036	103,221	66,654	36,567

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, 2008

	FIRE DISTRICTS - continued			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
<b>EXPENDITURES - current - continued:</b>				
Pecos Canyon VFD				
Public Safety				
Operating	\$ 18,800	20,099	12,608	7,491
Capital outlay	36,485	48,881	14,842	34,039
Prinpal and Interest	<u>20,270</u>	<u>20,270</u>	<u>20,204</u>	<u>66</u>
	75,555	89,250	47,654	41,596
La Placitas VFD				
Public Safety				
Operating	15,250	25,370	19,241	6,129
Capital outlay	<u>253,840</u>	<u>284,525</u>	<u>54,519</u>	<u>230,006</u>
	269,090	309,895	73,760	236,135
Rowe VFD				
Public Safety				
Operating	22,400	31,921	21,599	10,322
Capital outlay	71,535	168,026	623	167,403
Prinpal and Interest	<u>12,172</u>	<u>12,172</u>	<u>12,173</u>	<u>(1)</u>
	<u>106,107</u>	<u>212,119</u>	<u>34,395</u>	<u>177,724</u>
<b>TOTAL EXPENDITURES</b>	2,652,023	3,269,515	1,290,780	1,978,734
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from issuance of debt				-
Operating transfers in	36,000	36,000	24,000	(12,000)
Operating transfers out	<u>(77,257)</u>	<u>(65,257)</u>	<u>(65,257)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(41,257)</u>	<u>(29,257)</u>	<u>(41,257)</u>	<u>(12,000)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ <u>(811,715)</u>	<u>(1,364,132)</u>	<u>(75,453)</u>	<u>1,288,679</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>811,715</u>	<u>1,364,132</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, 2008

	COMMUNITY PROJECTS			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	4,276,183	4,321,001	552,314	(3,768,687)
Interest income	-	-	9	9
Miscellaneous	-	-	395,169	395,169
<b>TOTAL REVENUES</b>	4,276,183	4,321,001	947,492	(3,373,509)
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	-	351,829	122,514	229,315
Capital outlay	3,707,300	3,498,304	776,752	2,721,552
<b>TOTAL EXPENDITURES</b>	3,707,300	3,850,133	899,266	2,950,867
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ <u>568,883</u>	<u>470,868</u>	<u>48,226</u>	<u>(422,642)</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>(568,883)</u>	<u>(470,868)</u>		

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

**Statement of Net Assets - Proprietary Funds**

AS OF JUNE 30, 2008

	<u>Business-Type Activities</u>
<b>ASSETS:</b>	
Non-current:	
Land	\$ 492,993
Buildings	823,610
Less accumulated depreciation	<u>(619,818)</u>
Total non-current	<u>696,785</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>696,785</u></b>
<b>LIABILITIES:</b>	
Current:	\$ -
Non-current:	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b>-</b>
<b>NET ASSETS:</b>	
Invested in capital assets, net of related debt	<u>696,785</u>
<b>TOTAL NET ASSETS</b>	<b><u>696,785</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>696,785</u></b>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

---

YEAR ENDED JUNE 30, 2008

	<u>Business-Type Activities</u>
<b>OPERATING REVENUES:</b>	
Operating revenues	\$ _____ -
<b>TOTAL OPERATING REVENUES</b>	-
<b>OPERATING EXPENSES:</b>	
Operating expenses	_____ 21,118
<b>TOTAL OPERATING EXPENSES</b>	_____ 21,118
<b>CHANGES IN NET ASSETS</b>	(21,118)
<b>NET ASSETS, BEGINNING</b>	_____ 717,903
<b>NET ASSETS, ENDING</b>	\$ _____ <u>696,785</u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Statement of Cash Flows - Proprietary Funds

---

YEAR ENDED JUNE 30, 2008

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

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Statement of Fiduciary Assets and Liabilities - Agency Funds

---

AS OF JUNE 30, 2008

	<u>Agency Funds</u>
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 323,911
Taxes receivable	<u>3,128,421</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>3,452,332</u></b>
<b>LIABILITIES:</b>	
Due to other agencies	\$ 3,260
Due to other funds	39,513
Uncollected taxes	3,085,592
Accounts payable	60
Undistributed taxes	261,263
Deposits held in trust for others	<u>62,644</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>3,452,332</u></b>

## 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, 2008, 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, utilities (water and sewer and solid waste) and administration are classified as governmental activities. The County's Ribera Housing fund is 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 the Capital Outlay/Infrastructure Revenue Bond (a Debt Service Fund previously titled 2003 GRT NMFA, but changed during fiscal year 2008 according to Resolution #2008-01-08-F4, which was adopted on January 8, 2008).

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, 2008. Ribera Housing was dormant and up for sale during the year ended June 30, 2008.

**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.

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.

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

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

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, 2008 was \$471,518.

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).

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.

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

• **Budgetary Information - continued**

- 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 for both governmental and proprietary funds 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.

• **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 10<sup>th</sup> of the year in which the tax bill is prepared and April 10<sup>th</sup> 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **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.

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.



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

• **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.

• **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, 2008 are prepared using GAAP.

• **Restricted and Unrestricted Resources**

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

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

- **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, 2008.

- **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.

- **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, 2008 is \$2,016,829.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

2. CASH AND CASH EQUIVALENTS - continued

A summary of cash accounts and certificates of deposit at June 30, 2008 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	\$ 1,453
Bank of Las Vegas	El Valle Foundation	Checking	8,125
Bank of Las Vegas	Employee Fund	Checking	2,422
Bank of Las Vegas	Federal Housing Authority	Checking	246,594
Bank of Las Vegas	Fire District Funds	Checking	645,279
Bank of Las Vegas	General Account	Checking	2,064,139
Bank of Las Vegas	Gross Receipts Taxes	Checking	165,111
Bank of Las Vegas	Indigent Fund	Checking	72,021
Bank of Las Vegas	Lodgers Tax	Checking	48,838
Bank of Las Vegas	Payroll Account	Checking	9,998
Bank of Las Vegas	Construction Project	Checking	269
Bank of Las Vegas	Pecos-Prop Tax Acct	Checking	20
Bank of Las Vegas	SMC Detention Center	Checking	485,988
Bank of Las Vegas	SMC Inmate Trust Fund	Checking	18,125
Bank of Las Vegas	General Fund	Certificate of Deposit	348,448
Bank of Las Vegas	Fire District Funds	Certificate of Deposit	1,000,000
Total deposits and cash on hand			<u>5,116,830</u>

Total deposits at the Bank of Las Vegas	5,116,830
Less FDIC coverage	<u>100,000</u>
Total uninsured public funds	5,016,830
50% collateral requirement (Section 6-10017)	2,508,415
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>	
US Treasury Note	912828DR8	4/15/2010	510,471
FHLB Bond	3133XNXT1	1/14/2015	489,530
Bank Guaranty Bond	N/A	N/A	1,500,000
Bank Guaranty Bond	N/A	N/A	<u>500,000</u>
Total collateral			<u>3,000,001</u>
Over (under) collateralized			\$ <u>491,586</u>

2. CASH AND CASH EQUIVALENTS - continued

<u>Depository - Cash</u>	<u>Account Name</u>	<u>Type of Account</u>	<u>Bank Balances</u>
Bank of Albuquerque	NMFA 58th Supp(2004A) SM Reserve	Money Market	\$ 158,784
Bank of Albuquerque	NMFA 63rd Supp SM DS Reserve	Money Market	27,854
Bank of Albuquerque	NMFA 63rd Supp SM DS Program	Money Market	1,076
Bank of Albuquerque	NMFA 61st Supp SMC Cnty Fire (Conchas)	Money Market	4,947
Bank of Albuquerque	NMFA Sub Lien 2005 SMC Debt Service	Money Market	176,841
Bank of Albuquerque	NMFA Sub Lien 2005 SMC Program	Money Market	127
Bank of Albuquerque	NMFA 69th 2008A SM DS Reserve	Money Market	116,642
Bank of Albuquerque	NMFA 69th 2008A SM Program	Money Market	176
Bank of Albuquerque	NMFA 69th 2008A SM Program	Money Market	3,015,689
Bank of Albuquerque	NMFA 69th 2008A SM Reserve	Money Market	<u>241,467</u>
Total deposits at Bank of Albuquerque			<u>3,743,633</u>

Total deposits at Bank of Albuquerque	3,743,633
Less FDIC coverage	<u>-</u>
Total uninsured public funds	3,743,633
50% collateral requirement (Section 6-10017)	<u>1,871,817</u>

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

	<u>CUSIP #</u>	<u>Mature Date</u>	
US Treasury Bill	912795F52	7/17/2008	49,977,778
Total collateral			<u>49,977,778</u>
Over (under) collateralized			\$ <u><u>48,105,962</u></u>

<u>Depository - Cash</u>	<u>Account Name</u>	<u>Type of Account</u>	<u>Bank Balances</u>
First National Bank	SMC Treasurer	Checking	\$ 398,852
First National Bank	El Valle Foundation	Certificate of Deposit	33,907
Total deposits at First National Bank			<u>432,759</u>

Total deposits at First National Bank	432,759
Less FDIC coverage	<u>100,000</u>
Total uninsured public funds	332,759
50% collateral requirement (Section 6-10-17)	<u>166,380</u>

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

	<u>CUSIP #</u>	<u>Mature Date</u>	
FHLMC Pool	31295MYW4	11/1/2031	11,181
FHLMC Pool	31354RAE7	11/1/2023	7,740
FNMA Pool	31365H6M3	2/1/2031	24,696
FNMA Pool	31371LAF6	6/1/2013	512,337
FNMA Pool	31378UGY2	12/1/2027	199,452
FNMA Pool	31374GVZ7	3/1/2023	34,544
GNMA Pool	36225DM76	3/20/2035	424,685
GNMA Pool	38374FZHO	12/17/2026	<u>361,293</u>
Total collateral			<u>1,575,928</u>
Over (under) collateralized			\$ <u><u>1,409,549</u></u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

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2. CASH AND CASH EQUIVALENTS - continued

Bank to Financial Statement Cash Reconciliation:

Total cash in bank	\$	9,293,222
Add:		
Cash on hand		400
Deposits in transit		109,082
Less:		
Outstanding warrants		(952,297)
Outstanding checks		<u>-</u>
Total reconciled cash		8,450,407
Less cash in fiduciary funds		<u>(323,911)</u>
Financial Statement reconciled cash balance	\$	<u><u>8,126,496</u></u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

**3. RECEIVABLES**

Receivables as of June 30, 2008 consisted of the following. All receivables are net of allowance for doubtful accounts.

	<u>Property Taxes</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>
Governmental funds:				
General Fund, net of allowance of \$72,959	\$ 1,472,788	-	51,802	1,597,549
Detention Fund	-	-	129,441	129,443
Road Projects Special Approp.	-	-	838,985	838,985
Fire Districts	-	-	28,118	28,118
Community Projects	-	-	470,867	470,867
Capital Outlay/Infrastructure Revenue Bond	-	-	83,642	83,642
Other governmental funds	<u>-</u>	<u>247,029</u>	<u>258,484</u>	<u>505,513</u>
 Total governmental activity funds	 \$ <u>1,472,788</u>	 <u>247,029</u>	 <u>1,861,339</u>	 <u>3,581,156</u>

The Solid Waste Fund is part of other governmental funds. Receivables are net of an allowance of \$1,777,819 at June 30, 2008.

**4. CAPITAL ASSETS**

A summary of changes in capital assets follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassification of Completed Projects</u>	<u>Balance June 30, 2008</u>
Capital assets not being depreciated:					
Land	\$ 1,479,393	-	-	-	1,479,393
Construction in Progress	1,523,264	1,461,037	-	(1,487,571)	1,496,730
Capital assets being depreciated:					
Buildings and improvements	19,964,330	912,251	(29,420)	1,088,865	21,936,026
Infrastructure	3,784,469	1,021,735	-	398,706	5,204,910
Vehicles	5,784,555	732,308	(20,000)	-	6,496,863
Furniture, fixtures and equipment	911,952	194,286	-	-	1,106,238
Heavy equipment	<u>633,750</u>	<u>166,079</u>	<u>-</u>	<u>-</u>	<u>799,829</u>
Total capital assets being depreciated	<u>31,079,056</u>	<u>3,026,659</u>	<u>(49,420)</u>	<u>1,487,571</u>	<u>35,543,866</u>
Less accumulated depreciation for:					
Buildings and improvements	(7,465,031)	(748,052)	6,715	-	(8,206,368)
Infrastructure	(237,476)	(60,959)	-	-	(298,435)
Vehicles	(4,374,893)	(570,538)	20,000	-	(4,925,431)
Furniture, fixtures and equipment	(586,069)	(124,175)	-	-	(710,244)
Heavy equipment	<u>(589,194)</u>	<u>(36,806)</u>	<u>-</u>	<u>-</u>	<u>(626,000)</u>
Total accumulated depreciation	<u>(13,252,663)</u>	<u>(1,540,530)</u>	<u>26,715</u>	<u>-</u>	<u>(14,766,478)</u>
Total capital assets being depreciated, net	<u>17,826,393</u>	<u>1,486,129</u>	<u>(22,705)</u>	<u>1,487,571</u>	<u>20,777,388</u>
Governmental activities capital assets, net	\$ <u>20,829,050</u>	<u>2,947,166</u>	<u>(22,705)</u>	<u>-</u>	<u>23,753,511</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 June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</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>(598,700)</u>	<u>(21,118)</u>	<u>-</u>	<u>(619,818)</u>
Total capital assets being depreciated, net	<u>224,910</u>	<u>(21,118)</u>	<u>-</u>	<u>203,792</u>
Business-type activities capital assets, net	\$ <u>717,903</u>	<u>(21,118)</u>	<u>-</u>	<u>696,785</u>

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

Governmental activities:	
General government	\$ 184,863
Public safety	1,232,424
Public works	15,405
Health and welfare	77,027
Culture and recreation	<u>30,811</u>
	1,540,530
Business-type activities:	
Ribera housing	<u>21,118</u>
Total depreciation expense	\$ <u>1,561,648</u>



STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

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, 2007</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>June 30, 2008</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
Notes payable	\$ 3,041,560	-	(336,747)	2,704,813	346,493
Bonds payable	10,291,157	4,756,541	(1,883,046)	13,164,652	489,681
Compensated absences	<u>137,511</u>	<u>169,095</u>	<u>(154,353)</u>	<u>152,253</u>	<u>152,253</u>
Total long-term debt	<u>\$ 13,470,228</u>	<u>4,925,636</u>	<u>(2,374,146)</u>	<u>16,021,718</u>	<u>988,427</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, 2008 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, 2008 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, 2008 is \$25,156.

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, 2008 is \$130,983.

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, 2008 is \$221,303.

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, 2008 is \$135,360.

5. **LONG-TERM DEBT - continued**

• **Notes Payable - continued**

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, 2008 is \$193,419.

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, 2008 is \$115,749.

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, 2008 is \$55,114.

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, 2008 is \$1,344,079.

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, 2008 is \$19,233.

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, 2008 is \$251,757.

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, 2008 is \$188,662.

• **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.

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

5. LONG-TERM DEBT - continued

• Bonds

Gross Receipts Tax Refunding & Improvement Bonds – 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.

Gross Receipts Tax Refunding and Improvement Bonds – The Series 2008 Bonds are being used to defray the cost of acquiring a rock crusher for the government unit; designing, building, and equipping a public works facility for the government unit; and building and completing renovations to the governmental unit's courthouse. The other Series 2008 Bonds are being used to refinance the County's 2003 loan from Zion's bank.

The Series 2008 Bonds are issued pursuant to County Ordinance No. 2008-01-08-F1, adopted on January 9, 2008, and County Resolution No. 2007-10-18-F2, adopted on October 18, 2007.

The Series 2008 Bonds are issued pursuant to County Ordinance No. 2008-01-08-F2 on January 9, 2008, and County Resolution No. 2007-12-11-F2, adopted on December 11, 2007.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

5. LONG-TERM DEBT - continued

• Bonds – continued

The general revenue bonds outstanding as of June 30, 2008, are comprised of the following issues:

Issue	Amount	Interest Rate	Final Maturity
Series 1998A	165,300	4.75%	June 23, 2018
Series 1998B	243,400	4.75%	June 23, 2018
I-Series 2003	-	3.98%	May 1, 2018
I-Series 2003	1,754,411	4.30%	July 1, 2025
Series 2007	6,245,000	4.00% - 4.25%	July 1, 2027
Series 2008	1,496,727	3.40% - 4.64%	May 1, 2023
Series 2008	<u>3,259,814</u>	3.15% - 4.63%	May 1, 2029
Totals	\$ <u>13,164,652</u>		

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, 2008:

Year Ended June 30,	Notes	Bonds	Subtotal	Interest	Total
2009	\$ 346,493	489,681	836,174	663,447	1,499,621
2010	336,705	545,586	882,291	596,061	1,478,352
2011	286,914	561,388	848,302	565,478	1,413,780
2012	295,883	591,825	887,708	470,476	1,358,184
2013	305,898	604,968	910,866	440,367	1,351,233
2014 - 2018	847,412	3,416,179	4,263,591	1,789,898	6,053,489
2019 - 2023	194,124	3,891,439	4,085,563	1,190,141	5,275,704
2024 - 2028	91,384	2,806,705	2,898,089	363,842	3,261,931
2029 - 2033	-	<u>256,881</u>	<u>256,881</u>	<u>10,544</u>	<u>267,425</u>
Total	\$ <u>2,704,813</u>	<u>13,164,652</u>	<u>15,869,465</u>	<u>6,090,254</u>	<u>21,959,719</u>

5. **LONG-TERM DEBT - continued**

• **Operating Leases**

During the year ended June 30, 2008, the County leased equipment under operating leases. The County's expenditures on those leases for the year ended June 30, 2008 was \$182,323. The County's future minimum lease commitments at June 30, 2008 are as follows:

Year Ended June 30,	Operating Leases
2009	\$ 74,060
2010	29,804
2011	29,931
2012	23,852
2013	720
2014 and thereafter	<u>9,360</u>
 Total	 \$ <u>167,727</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, 2008 consist of the following:

• **Due From Other Funds**

Amount Due From:	
Fund Type	Amount
General Fund	\$ 1,763,229
Special Revenue Funds	712,419
Capital Projects Funds	29,543
Agency Funds	-
Debt Service Funds	<u>604,372</u>
 Total All Funds	 \$ <u>3,109,563</u>

Notes to Financial Statements - continued

6. DUE FROM AND DUE TO OTHER FUNDS - continued

• Due To Other Funds

Amount Due To:	
Fund Type	Amount
General Fund	\$ 168,756
Special Revenue Funds	2,008,454
Capital Projects Funds	175,709
Agency Funds	39,513
Debt Service Funds	<u>717,131</u>
 Total All Funds	 \$ <u>3,109,563</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 2009.

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, 2008 consist of the following:

	Transfers in:	Transfers out:					Total
		General Fund	Fire Districts	Detention Fund	Cap. Outlay/ Infrastruc. Rev. Bond	Non-major Funds	
General Fund – Major	\$ 391,257	-	(41,257)	-	-	(350,000)	-
Road Projects – Special Appropriations - Major	92,200	-	-	-	-	(92,200)	-
Courthouse Remodeling – Major	160,000	-	-	-	-	(160,000)	-
Fire Districts – Major	24,000	-	(24,000)	-	-	-	-
Detention Fund – Major	1,317,590	(882,317)	-	-	-	(435,273)	-
Capital Outlay/Infrastructure Revenue Bond – Major	218,340	-	-	(218,340)	-	-	-
Non-major funds	<u>1,275,899</u>	<u>(299,452)</u>	<u>-</u>	<u>-</u>	<u>(866,632)</u>	<u>(109,815)</u>	<u>-</u>
Total	<u>3,479,286</u>	<u>(1,181,769)</u>	<u>(65,257)</u>	<u>(218,340)</u>	<u>(866,632)</u>	<u>(1,147,288)</u>	<u>-</u>

## 8. BUDGETARY COMPARISONS

The Combined Statement of Revenues and Expenditures - Budget (non-GAAP 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.

	<u>General Fund</u>	<u>Detention Fund</u>	<u>Road Projects Special Approp.</u>	<u>Fire Districts</u>	<u>Courthouse Remodeling</u>
Revenues:					
Non-GAAP budgetary basis	\$ 5,192,532	1,420,515	839,972	1,256,585	1,102,216
Change in accounts and interest receivable	82,652	(9,378)	560	(31,041)	(3,015)
Audit adjustments - accruals	<u>802</u>	<u>-</u>	<u>378,978</u>	<u>-</u>	<u>(783,002)</u>
Revenues - GAAP basis	\$ <u>5,275,986</u>	<u>1,411,137</u>	<u>1,219,510</u>	<u>1,225,544</u>	<u>316,199</u>
Expenditures:					
Non-GAAP budgetary basis	\$ 3,972,495	2,317,452	983,781	1,290,781	289,639
Accounts payable	(35,066)	(25,821)	(262,408)	(91,446)	(75,366)
Audit adjustments - accruals	<u>47,300</u>	<u>15,066</u>	<u>301,209</u>	<u>19,305</u>	<u>22,641</u>
Expenditures - GAAP basis	\$ <u>3,984,729</u>	<u>2,306,697</u>	<u>1,022,582</u>	<u>1,218,640</u>	<u>236,914</u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

Community Projects	Capital Outlay/ Infrastructure Revenue Bond	SPECIAL REVENUE FUNDS				
		Road	Solid Waste	SMC Health Facility	Forest Reserve Title III	Farm and Range
947,492	2,647,283	511,237	789,211	-	17,793	3,276
-	37,541	(39,349)	5,553	-	-	-
-	(1,756,541)	(1)	1,681	-	(1)	-
<u>947,492</u>	<u>928,283</u>	<u>471,887</u>	<u>796,445</u>	<u>-</u>	<u>17,792</u>	<u>3,276</u>
899,266	1,976,173	791,110	807,523	-	-	760
(42,440)	-	17,507	398	-	-	-
<u>1</u>	<u>-</u>	<u>3,286</u>	<u>154,915</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>856,827</u>	<u>1,976,173</u>	<u>811,903</u>	<u>962,836</u>	<u>-</u>	<u>-</u>	<u>760</u>



8. BUDGETARY COMPARISONS - continued

		<u>DWI</u>			<u>SPECIAL</u>	
		<u>Allocation</u>	<u>Grant</u>	<u>Underage</u> <u>Drinking</u>	<u>Community</u> <u>DWI</u> <u>Program</u>	<u>DWI</u> <u>Offenders</u> <u>Fee</u>
Revenues:						
Non-GAAP budgetary basis	\$	190,854	43,751	-	12,100	10,155
Change in accounts and interest receivable		(33,403)	21,595	-	-	-
Audit adjustments - accruals		<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Revenues - GAAP basis	\$	<u>157,451</u>	<u>65,346</u>	<u>-</u>	<u>12,101</u>	<u>10,155</u>
Expenditures:						
Non-GAAP budgetary basis	\$	168,980	43,875	-	15,990	10,738
Accounts payable		94	210	-	467	-
Audit adjustments - accruals		<u>411</u>	<u>1,292</u>	<u>-</u>	<u>(3,134)</u>	<u>-</u>
Expenditures - GAAP basis	\$	<u>169,485</u>	<u>45,377</u>	<u>-</u>	<u>13,323</u>	<u>10,738</u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

REVENUE FUNDS - continued

<u>Education and Enforcement</u>	<u>Child Restraint</u>	<u>WIPP</u>	<u>Recording Equipment</u>	<u>Recreation</u>	<u>Legislative Appropriations</u>	<u>Beautification</u>	<u>Lodger's Tax</u>
-	19,409	14,000	22,220	367	-	-	43,667
-	(5,168)	-	-	-	-	-	(296)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>14,241</u>	<u>14,000</u>	<u>22,220</u>	<u>367</u>	<u>-</u>	<u>-</u>	<u>43,371</u>
-	23,380	15,251	50,501	657	-	-	44,060
-	-	-	(6,615)	-	-	-	5,111
<u>-</u>	<u>676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
<u>-</u>	<u>24,056</u>	<u>15,251</u>	<u>43,886</u>	<u>657</u>	<u>-</u>	<u>-</u>	<u>49,172</u>

8. BUDGETARY COMPARISONS - continued

				SPECIAL	
	<u>Indigent</u>	<u>Reappraisal</u>	<u>San Jose Community Center</u>	<u>Emergency Medical Services</u>	<u>Bureau of Justice</u>
Revenues:					
Non-GAAP budgetary basis	\$ 682,285	70,057	58	23,340	165
Change in accounts and interest receivable	5,072	-	-	-	-
Audit adjustments - accruals	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues - GAAP basis	\$ <u>687,356</u>	<u>70,057</u>	<u>58</u>	<u>23,340</u>	<u>165</u>
Expenditures:					
Non-GAAP budgetary basis	\$ 776,471	53,717	-	28,019	747
Accounts payable	-	(12,118)	-	954	-
Audit adjustments - accruals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200)</u>
Expenditures - GAAP basis	\$ <u>776,471</u>	<u>41,599</u>	<u>-</u>	<u>28,973</u>	<u>547</u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

REVENUE FUNDS - continued

<u>Law Enforcement</u>	<u>CDBG</u>	<u>Courthouse Renovation</u>	<u>Ambulance/ Medical Service Fund</u>	<u>Section 8 Housing</u>	<u>Professional Development</u>	<u>CDBG 2006</u>	<u>Office of Emergency Management</u>
26,110	-	-	480,000	882,138	18,237	177,152	-
4,408	-	-	-	-	-	203,970	17,870
-	-	-	-	(35,066)	(1,353)	25,189	-
<u>30,518</u>	<u>-</u>	<u>-</u>	<u>480,000</u>	<u>847,072</u>	<u>16,884</u>	<u>406,311</u>	<u>17,870</u>
25,056	-	-	387,299	844,309	6,655	411,205	39,152
-	-	-	9,853	610	-	32,952	149
(1)	-	-	76,703	(19)	(1,531)	(7,818)	3,474
<u>25,055</u>	<u>-</u>	<u>-</u>	<u>473,855</u>	<u>844,900</u>	<u>5,124</u>	<u>436,339</u>	<u>42,775</u>

8. BUDGETARY COMPARISONS - continued

**CAPITAL PROJECTS  
FUNDS**

	<u>Road and Health Projects</u>	<u>Detention Center Capital Outlay</u>	<u>Public Works Facility</u>	<u>Crusher Facility &amp; Equipment</u>
Revenues:				
Non-GAAP budgetary basis	\$ -	166,689	1,206,157	1,005,131
Change in accounts and interest receivable	-	-	-	-
Audit adjustments - accruals	<u>13,956</u>	<u>(5,695)</u>	<u>(1,200,000)</u>	<u>(1,000,000)</u>
Revenues - GAAP basis	\$ <u>13,956</u>	<u>160,994</u>	<u>6,157</u>	<u>5,131</u>
Expenditures:				
Non-GAAP budgetary basis	\$ 13,955	1,038,059	-	-
Accounts payable	-	-	-	-
Audit adjustments - accruals	<u>(13,955)</u>	<u>(8,218)</u>	<u>-</u>	<u>-</u>
Expenditures - GAAP basis	\$ <u>-</u>	<u>1,029,841</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

DEBT SERVICE FUNDS					
SMC Debt Service	1997 Series B Bond Issue	1998 Series A Bond Issue	1998 Series B Bond Issue	1997A & 2007 Series Bond Issue	Total Governmental Funds
1,035,400	-	-	-	-	20,857,554
3,381	-	-	-	-	260,952
<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,360,981)</u>
<u>1,038,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,757,525</u>
60,470.00	-	-	-	473,464	17,860,990
-	-	-	-	-	(482,975)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>611,404</u>
<u>60,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>473,464</u>	<u>17,989,419</u>

**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, 2008:

Community Projects	\$ (28,196)	Community DWI	\$ (17,727)
Underage Drinking	\$ (2,716)	Child Restraint	\$ (15,863)
SMC Health Facility	\$ (688)	Legislative App.	\$ (10,175)
DWI Grant	\$ (1,993)	CDBG 2006	\$ (29,576)
Office of Emergency Management	\$ (10,896)		

The County expects that the fiscal year 2009 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.

**12. RETIREMENT PLAN**

• **PERA Plan Description - continued**

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, 2008, 2007 and 2006 were \$333,375, \$288,829 and \$250,886, respectively, equal to the amount of the required contributions for each year.

**13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

• **Plan Description**

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

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

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



**13. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN - continued**

• **Funding Policy**

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary. Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

The County's contributions to the RHCA for the years ended June 30, 2008, 2007 and 2006, were \$39,748, \$35,317 and \$33,678, respectively, which equal the required contributions for each year.

**14. LITIGATION**

At June 30, 2008, 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. However, subsequent to the end of the year, the County settled the case of *Estate of Jose D. Lucero v. San Miguel County Detention Center* in the amount of \$250,000. This case is now closed and was fully covered by the County's insurer, less any deductible.

**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 Detention Center Capital Outlay fund was corrected in fiscal year 2008.

		<u>Fund</u>
Fund balance, beginning of year, as previously stated	\$	867,349
Restatement		<u>31,722</u>
Fund balance, as restated	\$	<u>899,071</u>

Net Assets: Prior year understatement of revenue. The understatement was corrected in fiscal year 2008.

		<u>Fund</u>
Net assets, beginning of year	\$	15,336,343
Restatement		<u>31,722</u>
Net assets, as restated	\$	<u>15,368,065</u>

**SUPPLEMENTARY INFORMATION**

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

AS OF JUNE 30, 2008

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 775,132	2,330,628	239,032	3,344,792
Restricted cash	-	127	83,937	84,064
Property taxes receivable	-	-	-	-
Accounts receivable	216,943	-	41,541	258,484
Federal receivable	247,029	-	-	247,029
Prepaid expenses	52,644	-	352,273	404,917
Other assets	715	-	22,828	23,543
Due from other funds	<u>487,432</u>	<u>8,218</u>	<u>141,521</u>	<u>637,171</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>1,779,895</u></b>	<b><u>2,338,973</u></b>	<b><u>881,132</u></b>	<b><u>5,000,000</u></b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 136,113	-	-	136,113
Accrued payroll	54,334	-	-	54,334
Deferred revenue	201,890	-	-	201,890
Debt Service Reserve	-	-	62,331	62,331
Due to other funds	<u>650,007</u>	<u>9,843</u>	<u>100,500</u>	<u>760,350</u>
<b>TOTAL LIABILITIES</b>	<b>1,042,344</b>	<b>9,843</b>	<b>162,831</b>	<b>1,215,018</b>
<b>FUND BALANCE (DEFICIT):</b>				
Reserved for debt service	-	-	718,301	718,301
Unreserved-undesignated (deficit)	<u>737,551</u>	<u>2,329,130</u>	<u>-</u>	<u>3,066,681</u>
<b>TOTAL FUND BALANCES</b>	<b><u>737,551</u></b>	<b><u>2,329,130</u></b>	<b><u>718,301</u></b>	<b><u>3,784,982</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>1,779,895</u></b>	<b><u>2,338,973</u></b>	<b><u>881,132</u></b>	<b><u>5,000,000</u></b>

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
<b>REVENUES:</b>				
Intergovernmental:				
Operating grants and contributions	\$ 874,668	148,500	-	1,023,168
Capital grants and contributions	-	-	-	-
Federal grants	1,268,490	-	-	1,268,490
Taxes:				
Property	-	-	-	-
Sales	784,493	-	1,018,906	1,803,399
Motor vehicle	263,294	-	-	263,294
Gas	151,280	-	-	151,280
Cigarette	367	-	-	367
Lodgers	38,189	-	-	38,189
Licenses and fees	730,647	-	-	730,647
Investment income	9,181	23,782	19,947	52,910
Miscellaneous	87,674	13,956	-	101,630
<b>TOTAL REVENUES</b>	<b>4,208,283</b>	<b>186,238</b>	<b>1,038,853</b>	<b>5,433,374</b>
<b>EXPENDITURES:</b>				
Current:				
General government	232,437	16,044	-	248,481
Public works	1,760,300	-	-	1,760,300
Public safety	735,561	-	-	735,561
Health and welfare	1,555,591	-	-	1,555,591
Culture and recreation	657	-	-	657
Conservation	760	-	-	760
Urban redevelopment	37,633	-	-	37,633
Capital outlay	480,240	1,013,797	-	1,494,037
Debt service:				
Principal payments	18,589	-	310,744	329,333
Interest payments	1,314	-	223,190	224,504
Bond issuance cost	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,823,082</b>	<b>1,029,841</b>	<b>533,934</b>	<b>6,386,857</b>

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
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (614,799)	(843,603)	504,919	(953,483)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	770,093	-	505,806	1,275,899
Transfers out	(106,209)	-	(1,041,079)	(1,147,288)
Proceeds from the issuance of debt	-	2,200,000	-	2,200,000
Proceeds from the sale of capital assets	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>663,884</u>	<u>2,200,000</u>	<u>(535,273)</u>	<u>2,328,611</u>
<b>NET CHANGES IN FUND BALANCE</b>	49,085	1,356,397	(30,354)	1,375,128
<b>FUND BALANCE, BEGINNING</b>	<u>688,466</u>	<u>941,011</u>	<u>748,655</u>	<u>2,378,132</u>
<b>RESTATEMENTS</b>	<u>-</u>	<u>31,722</u>	<u>-</u>	<u>31,722</u>
<b>FUND BALANCE, AS RESTATED</b>	<u>688,466</u>	<u>972,733</u>	<u>748,655</u>	<u>2,409,854</u>
<b>FUND BALANCE, ENDING</b>	\$ <u><u>737,551</u></u>	2,329,130	<u><u>718,301</u></u>	<u><u>3,784,982</u></u>

AS OF JUNE 30, 2008

				<b>SPECIAL</b>			
		<b>Road</b>	<b>Solid Waste</b>	<b>SMC Health Facility</b>	<b>Forest Reserve Title III</b>	<b>Farm and Range</b>	<b>DWI Allocation</b>
<b>ASSETS:</b>							
Cash and investments	\$	149	45,073	-	4,421	12,531	10,061
Restricted cash		-	-	-	-	-	-
Property taxes receivable		-	-	-	-	-	-
Accounts receivable		36,073	84,873	-	-	-	-
Federal receivable		-	-	-	-	-	-
Prepaid expenses		-	46,576	-	-	-	260
Other asset		-	-	-	-	-	-
Due from other funds		<u>456,810</u>	<u>1,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	\$	<u>493,032</u>	<u>177,539</u>	<u>-</u>	<u>4,421</u>	<u>12,531</u>	<u>10,321</u>
<b>LIABILITIES:</b>							
Accounts payable	\$	22,943	29,636	-	-	-	152
Accrued payroll		18,373	14,274	-	-	-	5,890
Deferred revenue		-	-	-	-	-	-
Debt service reserve		-	-	-	-	-	-
Due to other funds		<u>216,771</u>	<u>-</u>	<u>688</u>	<u>-</u>	<u>-</u>	<u>36</u>
<b>TOTAL LIABILITIES</b>		<u>258,087</u>	<u>43,910</u>	<u>688</u>	<u>-</u>	<u>-</u>	<u>6,078</u>
<b>FUND BALANCE:</b>							
Reserved for debt service		-	-	-	-	-	-
Unreserved, undesignated		<u>234,945</u>	<u>133,629</u>	<u>(688)</u>	<u>4,421</u>	<u>12,531</u>	<u>4,243</u>
<b>TOTAL FUND BALANCE</b>		<u>234,945</u>	<u>133,629</u>	<u>(688)</u>	<u>4,421</u>	<u>12,531</u>	<u>4,243</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	\$	<u>493,032</u>	<u>177,539</u>	<u>-</u>	<u>4,421</u>	<u>12,531</u>	<u>10,321</u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Combining Balance Sheet -  
Non-Major Governmental Funds

REVENUE FUNDS

<u>DWI Grant</u>	<u>Underage Drinking</u>	<u>Community DWI Program</u>	<u>DWI Offenders Fee</u>	<u>Education and Enforcement</u>	<u>Child Restraint</u>	<u>WIPP</u>
-	-	-	19,186	60	-	16,134
-	-	-	-	-	-	-
-	-	-	-	-	-	-
21,595	-	-	-	-	-	-
-	-	-	-	-	-	-
130	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3,516	-	-	-	-
<u>21,725</u>	<u>-</u>	<u>3,516</u>	<u>19,186</u>	<u>60</u>	<u>-</u>	<u>16,134</u>
210	-	467	-	-	-	-
1,422	-	615	-	-	827	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>22,086</u>	<u>2,716</u>	<u>20,161</u>	<u>-</u>	<u>-</u>	<u>15,036</u>	<u>-</u>
<u>23,718</u>	<u>2,716</u>	<u>21,243</u>	<u>-</u>	<u>-</u>	<u>15,863</u>	<u>-</u>
-	-	-	-	-	-	-
<u>(1,993)</u>	<u>(2,716)</u>	<u>(17,727)</u>	<u>19,186</u>	<u>60</u>	<u>(15,863)</u>	<u>16,134</u>
<u>(1,993)</u>	<u>(2,716)</u>	<u>(17,727)</u>	<u>19,186</u>	<u>60</u>	<u>(15,863)</u>	<u>16,134</u>
<u>21,725</u>	<u>-</u>	<u>3,516</u>	<u>19,186</u>	<u>60</u>	<u>-</u>	<u>16,134</u>



AS OF JUNE 30, 2008

SPECIAL

	<u>Recording Equipment</u>	<u>Recreation</u>	<u>Legislative Appropriations</u>	<u>Beautification</u>	<u>Lodger's Tax</u>	<u>Indigent</u>
<b>ASSETS:</b>						
Cash and investments	\$ 1,883	-	-	-	40,927	71,936
Restricted cash	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	7,677	62,317
Federal receivable	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Other asset	-	-	-	-	-	-
Due from other funds	-	630	-	-	270	-
<b>TOTAL ASSETS</b>	<u>\$ 1,883</u>	<u>630</u>	<u>-</u>	<u>-</u>	<u>48,874</u>	<u>134,253</u>
<b>LIABILITIES:</b>						
Accounts payable	\$ -	-	-	-	5,112	-
Accrued payroll	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Debt service reserve	-	-	-	-	-	-
Due to other funds	-	474	10,175	-	630	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>474</u>	<u>10,175</u>	<u>-</u>	<u>5,742</u>	<u>-</u>
<b>FUND BALANCE:</b>						
Reserved for debt service	-	-	-	-	-	-
Unreserved, undesignated	1,883	156	(10,175)	-	43,132	134,253
<b>TOTAL FUND BALANCE</b>	<u>1,883</u>	<u>156</u>	<u>(10,175)</u>	<u>-</u>	<u>43,132</u>	<u>134,253</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,883</u>	<u>630</u>	<u>-</u>	<u>-</u>	<u>48,874</u>	<u>134,253</u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Combining Balance Sheet -  
Non-Major Governmental Funds - continued

REVENUE FUNDS - continued

Reappraisal	San Jose Community Center	Emergency Medical Services	Bureau of Justice	Law Enforcement	CDBG	Courthouse Renovation
56,288	1,603	100,458	-	2,036	-	-
-	-	-	-	-	-	-
-	-	-	-	4,408	-	-
-	-	-	-	-	-	-
-	-	-	-	715	-	-
-	-	-	-	-	-	-
<u>56,288</u>	<u>1,603</u>	<u>100,458</u>	<u>-</u>	<u>7,159</u>	<u>-</u>	<u>-</u>
1,435	-	3,276	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,235</u>	<u>-</u>	<u>3,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
<u>54,053</u>	<u>1,603</u>	<u>97,182</u>	<u>-</u>	<u>7,159</u>	<u>-</u>	<u>-</u>
<u>54,053</u>	<u>1,603</u>	<u>97,182</u>	<u>-</u>	<u>7,159</u>	<u>-</u>	<u>-</u>
<u>56,288</u>	<u>1,603</u>	<u>100,458</u>	<u>-</u>	<u>7,159</u>	<u>-</u>	<u>-</u>

AS OF JUNE 30, 2008

SPECIAL REVENUE FUNDS - continued

	<u>Ambulance/ Medical Service Fund</u>	<u>Section 8 Housing</u>	<u>Professional Development</u>	<u>CDGB 2006</u>	<u>Office of Emergency Management</u>	<u>Total Special Revenue</u>
<b>ASSETS:</b>						
Cash and investments	\$ 106,425	237,271	48,690	-	-	775,132
Restricted cash	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	216,943
Federal receivable	-	-	-	229,159	17,870	247,029
Prepaid expenses	5,500	-	178	-	-	52,644
Other asset	-	-	-	-	-	715
Due from other funds	-	-	-	25,189	-	487,432
<b>TOTAL ASSETS</b>	<u>\$ 111,925</u>	<u>237,271</u>	<u>48,868</u>	<u>254,348</u>	<u>17,870</u>	<u>1,779,895</u>
<b>LIABILITIES:</b>						
Accounts payable	\$ 36,493	610	-	35,630	149	136,113
Accrued payroll	6,702	2,757	-	-	3,474	54,334
Deferred revenue	-	201,890	-	-	-	201,890
Debt service reserve	-	-	-	-	-	-
Due to other funds	83,724	3,273	-	248,294	25,143	650,007
<b>TOTAL LIABILITIES</b>	<u>126,919</u>	<u>208,530</u>	<u>-</u>	<u>283,924</u>	<u>28,766</u>	<u>1,042,344</u>
<b>FUND BALANCE:</b>						
Reserved for debt service	-	-	-	-	-	-
Unreserved, undesignated	(14,994)	28,741	48,868	(29,576)	(10,896)	737,551
<b>TOTAL FUND BALANCE</b>	<u>(14,994)</u>	<u>28,741</u>	<u>48,868</u>	<u>(29,576)</u>	<u>(10,896)</u>	<u>737,551</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 111,925</u>	<u>237,271</u>	<u>48,868</u>	<u>254,348</u>	<u>17,870</u>	<u>1,779,895</u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Combining Balance Sheet -  
Non-Major Governmental Funds - continued

CAPITAL PROJECTS FUNDS					DEBT SERVICE FUNDS	
Road and Health Projects	Dentention Center Capital Outlay	Public Works Facility	Crusher Facility and Equipment	Total Capital Projects	SMC Debt Service	1997 Series B Bond Issue
87,618	31,722	1,206,157	1,005,131	2,330,628	151,167	-
-	127	-	-	127	27,854	-
-	-	-	-	-	-	-
-	-	-	-	-	41,541	-
-	-	-	-	-	-	-
-	-	-	-	-	22,828	-
-	8,218	-	-	8,218	135,273	-
<u>87,618</u>	<u>40,067</u>	<u>1,206,157</u>	<u>1,005,131</u>	<u>2,338,973</u>	<u>378,663</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	9,843	-	-	9,843	100,500	-
-	9,843	-	-	9,843	100,500	-
-	-	-	-	-	278,163	-
<u>87,618</u>	<u>30,224</u>	<u>1,206,157</u>	<u>1,005,131</u>	<u>2,329,130</u>	<u>-</u>	<u>-</u>
<u>87,618</u>	<u>30,224</u>	<u>1,206,157</u>	<u>1,005,131</u>	<u>2,329,130</u>	<u>278,163</u>	<u>-</u>
<u>87,618</u>	<u>40,067</u>	<u>1,206,157</u>	<u>1,005,131</u>	<u>2,338,973</u>	<u>378,663</u>	<u>-</u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Combining Balance Sheet -  
Non-Major Governmental Funds - continued

AS OF JUNE 30, 2008

	DEBT SERVICE FUNDS - continued				Total Non-major Governmental Funds
	1998 Series A Bond Issue	1998 Series B Bond Issue	1997A & 2007 Series Bond Issue	Total Debt Service Funds	
<b>ASSETS:</b>					
Cash and investments	\$ -	-	87,865	239,032	3,344,792
Restricted cash	18,938	37,145	-	83,937	84,064
Property taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	41,541	258,484
Federal receivable	-	-	-	-	247,029
Prepaid expenses	-	-	352,273	352,273	404,917
Other asset	-	-	-	22,828	23,543
Due from other funds	2,115	4,133	-	141,521	637,171
<b>TOTAL ASSETS</b>	\$ <u>21,053</u>	<u>41,278</u>	<u>440,138</u>	<u>881,132</u>	<u>5,000,000</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ -	-	-	-	136,113
Accrued payroll	-	-	-	-	54,334
Deferred revenue	-	-	-	-	201,890
Debt service reserve	21,053	41,278	-	62,331	62,331
Due to other funds	-	-	-	100,500	760,350
<b>TOTAL LIABILITIES</b>	21,053	41,278	-	162,831	1,215,018
<b>FUND BALANCE:</b>					
Reserved for debt service	-	-	440,138	718,301	718,301
Unreserved, undesignated	-	-	-	-	3,066,681
<b>TOTAL FUND BALANCE</b>	-	-	440,138	718,301	3,784,982
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	\$ <u>21,053</u>	<u>41,278</u>	<u>440,138</u>	<u>881,132</u>	<u>5,000,000</u>

YEAR ENDED JUNE 30, 2008

						SPECIAL	
	Road	Solid Waste	SMC Health Facility	Forest Reserve Title III	Farm and Range	DWI Allocation	DWI Grant
<b>REVENUES:</b>							
Intergovernmental:							
Operating grants and contributions	\$ 57,313	-	-	17,792	3,276	157,451	65,346
Capital grants and contributions	-	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-	-
Taxes:							
Property	-	-	-	-	-	-	-
Sales	-	100,940	-	-	-	-	-
Motor vehicle	263,294	-	-	-	-	-	-
Gas	151,280	-	-	-	-	-	-
Cigarette	-	-	-	-	-	-	-
Lodgers	-	-	-	-	-	-	-
Licenses and fees	-	628,215	-	-	-	-	-
Interest income	-	-	-	-	-	-	-
Miscellaneous	-	67,290	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>471,887</b>	<b>796,445</b>	<b>-</b>	<b>17,792</b>	<b>3,276</b>	<b>157,451</b>	<b>65,346</b>
<b>EXPENDITURES:</b>							
Current:							
General government	-	-	-	-	-	-	-
Public works	797,100	962,836	-	-	-	-	-
Public safety	-	-	-	-	-	169,485	38,052
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation	-	-	-	-	760	-	-
Urban redevelopment	-	-	-	-	-	-	-
Capital outlay	14,803	-	-	-	-	-	7,325
Debt service:							
Principal payments	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	-
Bond issuance cost	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>811,903</b>	<b>962,836</b>	<b>-</b>	<b>-</b>	<b>760</b>	<b>169,485</b>	<b>45,377</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(340,016)</b>	<b>(166,391)</b>	<b>-</b>	<b>17,792</b>	<b>2,516</b>	<b>(12,034)</b>	<b>19,969</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	525,280	215,804	-	-	-	-	-
Transfers out	(92,200)	-	-	(14,009)	-	-	-
Proceeds from the issuance of debt	-	-	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>433,080</b>	<b>215,804</b>	<b>-</b>	<b>(14,009)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>93,064</b>	<b>49,413</b>	<b>-</b>	<b>3,783</b>	<b>2,516</b>	<b>(12,034)</b>	<b>19,969</b>
<b>FUND BALANCE, BEGINNING</b>	<b>141,881</b>	<b>84,216</b>	<b>(688)</b>	<b>638</b>	<b>10,015</b>	<b>16,277</b>	<b>(21,962)</b>
<b>RESTATEMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, AS RESTATED</b>	<b>141,881</b>	<b>84,216</b>	<b>(688)</b>	<b>638</b>	<b>10,015</b>	<b>16,277</b>	<b>(21,962)</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ 234,945</b>	<b>133,629</b>	<b>(688)</b>	<b>4,421</b>	<b>12,531</b>	<b>4,243</b>	<b>(1,993)</b>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

REVENUE FUNDS

Underage Drinking	Community DWI Program	DWI Offenders Fee	Education and Enforcement	Child Restraint	WIPP	Recording Equipment	Recreation
-	12,101	-	-	14,241	14,000	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	367
-	-	10,155	-	-	-	22,220	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	12,101	10,155	-	14,241	14,000	22,220	367
-	-	-	-	-	-	22,835	-
-	-	-	-	-	364	-	-
-	1,855	10,738	-	12,056	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	657
-	-	-	-	-	-	-	-
-	11,468	-	-	12,000	14,887	21,051	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	13,323	10,738	-	24,056	15,251	43,886	657
-	(1,222)	(583)	-	(9,815)	(1,251)	(21,666)	(290)
-	-	15,000	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	15,000	-	-	-	-	-
-	(1,222)	14,417	-	(9,815)	(1,251)	(21,666)	(290)
(2,716)	(16,505)	4,769	60	(6,048)	17,385	23,549	446
-	-	-	-	-	-	-	-
(2,716)	(16,505)	4,769	60	(6,048)	17,385	23,549	446
(2,716)	(17,727)	19,186	60	(15,863)	16,134	1,883	156

YEAR ENDED JUNE 30, 2008

					<b>SPECIAL</b>
	<b>Legislative</b>		<b>Lodger's</b>		<b>San Jose</b>
	<b>Appropriations</b>	<b>Beautification</b>	<b>Tax</b>	<b>Indigent</b>	<b>Reappraisal</b>
					<b>Community</b>
					<b>Center</b>
<b>REVENUES:</b>					
Intergovernmental:					
Operating grants and contributions	\$ -	-	-	-	-
Capital grants and contributions	-	-	-	-	-
Federal grants	-	-	-	-	-
Taxes:					
Property	-	-	-	-	-
Sales	-	-	-	683,553	-
Motor vehicle	-	-	-	-	-
Gas	-	-	-	-	-
Cigarette	-	-	-	-	-
Lodgers	-	-	38,189	-	-
Licenses and fees	-	-	-	-	70,057
Interest income	-	-	1,682	3,803	-
Miscellaneous	-	-	3,500	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>43,371</b>	<b>687,356</b>	<b>70,057</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	49,172	25	41,599
Public works	-	-	-	-	-
Public safety	-	-	-	-	-
Health and welfare	-	-	-	776,446	-
Culture and recreation	-	-	-	-	-
Conservation	-	-	-	-	-
Urban redevelopment	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal payments	-	-	-	-	-
Interest payments	-	-	-	-	-
Bond issuance cost	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>49,172</b>	<b>776,471</b>	<b>41,599</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>					
<b>OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(5,801)</b>	<b>(89,115)</b>	<b>28,458</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Proceeds from the issuance of debt	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	-
<b>TOTAL OTHER FINANCING</b>					
<b>SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>(5,801)</b>	<b>(89,115)</b>	<b>28,458</b>
<b>FUND BALANCE, BEGINNING</b>	<b>(10,175)</b>	<b>-</b>	<b>48,933</b>	<b>223,368</b>	<b>25,595</b>
<b>RESTATEMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(10,175)</b>	<b>-</b>	<b>48,933</b>	<b>223,368</b>	<b>25,595</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ (10,175)</b>	<b>-</b>	<b>43,132</b>	<b>134,253</b>	<b>54,053</b>



STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

REVENUE FUNDS - continued

Emergency Medical Services	Bureau of Justice	Law Enforcement	CDBG	Courthouse Renovation	Ambulance/ Medical Service Fund	Section 8 Housing	Professional Development
23,340	-	29,808	-	-	480,000	-	-
-	-	-	-	-	-	844,309	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	165	710	-	-	-	2,763	-
-	-	-	-	-	-	-	16,884
23,340	165	30,518	-	-	480,000	847,072	16,884
-	-	5,152	-	-	-	65,755	5,124
28,973	547	-	-	-	473,855	-	-
-	-	-	-	-	-	779,145	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	18,589	-	-	-	-	-
-	-	1,314	-	-	-	-	-
-	-	-	-	-	-	-	-
28,973	547	25,055	-	-	473,855	844,900	5,124
(5,633)	(382)	5,463	-	-	6,145	2,172	11,760
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(5,633)	(382)	5,463	-	-	6,145	2,172	11,760
102,815	382	1,696	-	-	(21,139)	26,569	37,108
-	-	-	-	-	-	-	-
102,815	382	1,696	-	-	(21,139)	26,569	37,108
97,182	-	7,159	-	-	(14,994)	28,741	48,868

YEAR ENDED JUNE 30, 2008

	SPECIAL REVENUE FUNDS - continued			CAPITAL PROJECT FUNDS		
	CDBG 2006	Office of Emergency Management	Total Special Revenue	Road and Health Projects	Dentention Center Capital Outlay	Public Works Facility
<b>REVENUES:</b>						
Intergovernmental:						
Operating grants and contributions	\$ -	-	874,668	-	148,500	-
Capital grants and contributions	-	-	-	-	-	-
Federal grants	406,311	17,870	1,268,490	-	-	-
Taxes:						
Property	-	-	-	-	-	-
Sales	-	-	784,493	-	-	-
Motor vehicle	-	-	263,294	-	-	-
Gas	-	-	151,280	-	-	-
Cigarette	-	-	367	-	-	-
Lodgers	-	-	38,189	-	-	-
Licenses and fees	-	-	730,647	-	-	-
Interest income	-	-	9,181	-	12,494	6,157
Miscellaneous	-	-	87,674	13,956	-	-
<b>TOTAL REVENUES</b>	<b>406,311</b>	<b>17,870</b>	<b>4,208,283</b>	<b>13,956</b>	<b>160,994</b>	<b>6,157</b>
<b>EXPENDITURES:</b>						
Current:						
General government	-	42,775	232,437	-	16,044	-
Public works	-	-	1,760,300	-	-	-
Public safety	-	-	735,561	-	-	-
Health and welfare	-	-	1,555,591	-	-	-
Culture and recreation	-	-	657	-	-	-
Conservation	-	-	760	-	-	-
Urban redevelopment	37,633	-	37,633	-	-	-
Capital outlay	398,706	-	480,240	-	1,013,797	-
Debt service:						
Principal payments	-	-	18,589	-	-	-
Interest payments	-	-	1,314	-	-	-
Bond issuance cost	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>436,339</b>	<b>42,775</b>	<b>4,823,082</b>	<b>-</b>	<b>1,029,841</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(30,028)</b>	<b>(24,905)</b>	<b>(614,799)</b>	<b>13,956</b>	<b>(868,847)</b>	<b>6,157</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	14,009	770,093	-	-	-
Transfers out	-	-	(106,209)	-	-	-
Proceeds from the issuance of debt	-	-	-	-	-	1,200,000
Proceeds from the sale of capital assets	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>14,009</b>	<b>663,884</b>	<b>-</b>	<b>-</b>	<b>1,200,000</b>
<b>NET CHANGES IN FUND BALANCE</b>	<b>(30,028)</b>	<b>(10,896)</b>	<b>49,085</b>	<b>13,956</b>	<b>(868,847)</b>	<b>1,206,157</b>
<b>FUND BALANCE, BEGINNING</b>	<b>452</b>	<b>-</b>	<b>688,466</b>	<b>73,662</b>	<b>867,349</b>	<b>-</b>
<b>RESTATEMENTS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,722</b>	<b>-</b>
	<b>452</b>	<b>-</b>	<b>688,466</b>	<b>73,662</b>	<b>899,071</b>	<b>-</b>
<b>FUND BALANCE, ENDING</b>	<b>\$ (29,576)</b>	<b>(10,896)</b>	<b>737,551</b>	<b>87,618</b>	<b>30,224</b>	<b>1,206,157</b>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

Crusher Facility and Equipment	Total Capital Projects	DEBT SERVICE FUNDS					Total Debt Service Funds	Total Non-major Governmental Funds
		SMC Debt Service	1997 Series B Bond Issue	1998 Series A Bond Issue	1998 Series B Bond Issue	1997A & 2007 Series Bond Issue		
-	148,500	-	-	-	-	-	-	1,023,168
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	1,268,490
-	-	-	-	-	-	-	-	-
-	-	1,018,906	-	-	-	-	1,018,906	1,803,399
-	-	-	-	-	-	-	-	263,294
-	-	-	-	-	-	-	-	151,280
-	-	-	-	-	-	-	-	367
-	-	-	-	-	-	-	-	38,189
-	-	-	-	-	-	-	-	730,647
5,131	23,782	19,947	-	-	-	-	19,947	52,910
-	13,956	-	-	-	-	-	-	101,630
5,131	186,238	1,038,853	-	-	-	-	1,038,853	5,433,374
-	16,044	-	-	-	-	-	-	248,481
-	-	-	-	-	-	-	-	1,760,300
-	-	-	-	-	-	-	-	735,561
-	-	-	-	-	-	-	-	1,555,591
-	-	-	-	-	-	-	-	657
-	-	-	-	-	-	-	-	760
-	-	-	-	-	-	-	-	37,633
-	1,013,797	-	-	-	-	-	-	1,494,037
-	-	55,744	-	-	-	255,000	310,744	329,333
-	-	4,726	-	-	-	218,464	223,190	224,504
-	-	-	-	-	-	-	-	-
-	1,029,841	60,470	-	-	-	473,464	533,934	6,386,857
5,131	(843,603)	978,383	-	-	-	(473,464)	504,919	(953,483)
-	-	-	-	-	-	505,806	505,806	1,275,899
-	-	(1,041,079)	-	-	-	-	(1,041,079)	(1,147,288)
1,000,000	2,200,000	-	-	-	-	-	-	2,200,000
-	-	-	-	-	-	-	-	-
1,000,000	2,200,000	(1,041,079)	-	-	-	505,806	(535,273)	2,328,611
1,005,131	1,356,397	(62,696)	-	-	-	32,342	(30,354)	1,375,128
-	941,011	340,859	-	-	-	407,796	748,655	2,378,132
-	31,722	-	-	-	-	-	-	31,722
-	972,733	340,859	-	-	-	407,796	748,655	2,409,854
1,005,131	2,329,130	278,163	-	-	-	440,138	718,301	3,784,982

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2008

	COURTHOUSE REMODELING			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 500,000	500,000	280,363	(219,637)
Loan Proceeds	-	800,000	800,000	-
Interest income	11,250	14,750	18,838	4,088
Miscellaneous	-	3,015	3,015	-
<b>TOTAL REVENUES</b>	511,250	1,317,765	1,102,216	(215,549)
<b>EXPENDITURES - current:</b>				
Public safety:				
Operating expenses	-	141,027	49,479	91,548
Capital outlay	1,147,674	1,971,811	240,160	1,731,651
<b>TOTAL EXPENDITURES</b>	1,147,674	2,112,838	289,639	1,823,199
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	-	160,000	160,000	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	160,000	160,000	-
<b>FUND BALANCES - ENDING</b>	\$ <u>(636,424)</u>	<u>(635,073)</u>	<u>972,577</u>	<u>1,607,650</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>636,424</u>	<u>635,073</u>		

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2008

**CAPITAL OUTLAY/INFRASTRUCTURE REVENUE BOND**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 500,000	858,000	862,900	4,900
Intergovernmental	-	-	-	-
Interest income	30,000	30,000	27,841	(2,159)
Loan proceeds	-	1,756,541	1,756,541	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>530,000</b>	<b>2,644,541</b>	<b>2,647,282</b>	<b>2,741</b>
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	1,100	47,658	46,091	1,567
Capital outlay	-	-	-	-
Prinpal and Interest	547,471	1,929,009	1,930,082	(1,073)
<b>TOTAL EXPENDITURES</b>	<b>548,571</b>	<b>1,976,667</b>	<b>1,976,173</b>	<b>494</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	218,340	218,340	218,340	-
Operating transfers out	(280,000)	(866,632)	(866,632)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(61,660)</b>	<b>(648,292)</b>	<b>(648,292)</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (80,231)</b>	<b>19,582</b>	<b>22,817</b>	<b>3,235</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ 80,231</b>	<b>(19,582)</b>		

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

**Tax Roll Reconciliation**

**YEAR ENDED JUNE 30, 2008**

Property taxes receivable, beginning of year	\$	4,597,587
Changes to Tax Roll:		
Net taxes charged to Treasurer for fiscal year		10,600,049
Adjustments:		
Increases in taxes receivable		91,887
Charge off of taxes receivable		<u>(133,033)</u>
Total receivables prior to collections		15,156,490
Collections for fiscal year ended June 30, 2008		<u>(10,482,322)</u>
Property taxes receivable, end of year	\$	<u><u>4,674,168</u></u>
Property taxes receivable by years are as follows:		
1998	\$	90,245
1999		136,984
2000		171,898
2001		259,541
2002		255,604
2003		358,858
2004		421,015
2005		531,243
2006		876,251
2007		<u>1,572,529</u>
Total taxes receivable	\$	<u><u>4,674,168</u></u>
Collections during the fiscal year ended June 30, 2008 are as follows:		
Taxes	\$	10,482,322
Penalty and interest		<u>443,485</u>
Taxes charged to Treasurer at June 30, 2008	\$	<u><u>10,925,807</u></u>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Tax Roll Reconciliation - continued

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YEAR ENDED JUNE 30, 2008

Distributions made on fiscal year June 30, 2008 collections:

San Miguel County	\$	3,626,231
East Las Vegas Schools		2,177,403
West Las Vegas Schools		1,582,399
Pecos School		538,392
Santa Rosa Consolidated Schools		7,963
Luna Community College		830,642
City of Las Vegas		1,185,222
Village of Pecos		9,440
Mesa		617
Guadalupe Soil and Water		124
Tiera y Montes Soil and Water		216,659
State of New Mexico		603,830
New Mexico Taxation and Revenue		<u>112,456</u>
Total distributions	\$	<u>10,891,378</u>
Undistributed taxes and interest at June 30, 2008	\$	<u>261,263</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).

DWI Grant – To account for appropriations for the DWI Allocation, DWI Grant, Underage Drinking, Community DWI Program and DWI 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.

Office of Emergency Management – To account for the accumulation of resources and payments related to the operations of the Office of Emergency Management.

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 508,000	175,000	166,368	(8,632)
Intergovernmental	302,500	301,898	344,869	42,971
Miscellaneous	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<b>810,600</b>	<b>476,898</b>	<b>511,237</b>	<b>34,339</b>
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	1,045,603	779,730	750,033	29,697
Capital outlay	-	12,478	9,201	3,277
Prinpal and Interest	<u>-</u>	<u>32,397</u>	<u>31,876</u>	<u>521</u>
<b>TOTAL EXPENDITURES</b>	<b>1,045,603</b>	<b>824,605</b>	<b>791,110</b>	<b>33,495</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	348,648	525,280	525,280	-
Operating transfers out	<u>(92,200)</u>	<u>(142,200)</u>	<u>(92,200)</u>	<u>(50,000)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>256,448</u></b>	<b><u>383,080</u></b>	<b><u>433,080</u></b>	<b><u>(50,000)</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ <u>21,445</u></b>	<b><u>35,373</u></b>	<b><u>153,207</u></b>	<b><u>117,834</u></b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ <u>(21,445)</u></b>	<b><u>(35,373)</u></b>		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 80,000	90,000	93,706	3,706
Licenses and fees	523,000	536,892	695,505	158,613
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>603,000</b>	<b>626,892</b>	<b>789,211</b>	<b>162,319</b>
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	817,086	814,076	806,504	7,572
Capital outlay	2,500	3,432	1,019	2,413
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>819,586</b>	<b>817,508</b>	<b>807,523</b>	<b>9,985</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	215,804	215,804	215,804	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>215,804</b>	<b>215,804</b>	<b>215,804</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (782)</b>	<b>25,188</b>	<b>197,492</b>	<b>172,304</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ 782</b>	<b>(25,188)</b>		

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, 2008

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

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	18,100	17,793	17,793	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	18,100	17,793	17,793	-
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	18,737	-	-	-
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	18,737	-	-	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	(18,430)	(14,009)	(4,421)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	(18,430)	(14,009)	(4,421)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (637)	(637)	3,784	4,421
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ 637	637		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	3,200	3,200	3,276	76
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>3,200</b>	<b>3,200</b>	<b>3,276</b>	<b>76</b>
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	13,214	13,214	760	12,454
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>13,214</b>	<b>13,214</b>	<b>760</b>	<b>12,454</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (10,014)</b>	<b>(10,014)</b>	<b>2,516</b>	<b>12,530</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ 10,014</b>	<b>10,014</b>		

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance From Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	221,731	189,864	190,854	990
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>221,731</b>	<b>189,864</b>	<b>190,854</b>	<b>990</b>
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	215,898	170,475	162,550	7,925
Capital outlay	2,580	7,539	6,429	1,110
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>218,478</b>	<b>178,014</b>	<b>168,979</b>	<b>9,035</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	30,000	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 33,253</b>	<b>11,850</b>	<b>21,875</b>	<b>10,025</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ (33,253)</b>	<b>(11,850)</b>		



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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	72,178	66,962	43,751	(23,211)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	72,178	66,962	43,751	(23,211)
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	37,500	37,675	36,550	1,125
Capital outlay	7,500	7,325	7,325	-
Prinpal and Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	45,000	45,000	43,875	1,125
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ <u>27,178</u>	<u>21,962</u>	<u>(124)</u>	<u>(22,086)</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>(27,178)</u>	<u>(21,962)</u>		

See Independent Auditors' Report.

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, 2008

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

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	27,731	36,495	12,100	(24,395)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	27,731	36,495	12,100	(24,395)
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	19,900	7,990	4,522	3,468
Capital outlay	-	12,000	11,468	532
Prinpal and Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	19,900	19,990	15,990	4,000
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ <u>7,831</u>	<u>16,505</u>	<u>(3,890)</u>	<u>(20,395)</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>(7,831)</u>	<u>(16,505)</u>		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	15,000	10,000	10,155	155
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	15,000	10,000	10,155	155
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	15,000	29,768	10,738	19,030
Capital outlay	-	-	-	-
Prinpal and Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	15,000	29,768	10,738	19,030
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	15,000	15,000	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ <u>-</u>	<u>(4,768)</u>	<u>14,417</u>	<u>19,185</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>-</u>	<u>4,768</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, 2008

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

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	31,064	46,064	19,409	(26,655)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	31,064	46,064	19,409	(26,655)
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	20,000	23,000	11,380	11,620
Capital outlay	-	12,000	12,000	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	20,000	35,000	23,380	11,620
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ 11,064	11,064	(3,971)	(15,035)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ (11,064)	(11,064)		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	7,000	7,000	14,000	7,000
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL REVENUES</b>	7,000	7,000	14,000	7,000
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	-	364	364	-
Capital outlay	24,835	24,021	14,887	9,134
Prinpal and Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	24,835	24,385	15,251	9,134
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ <u>(17,835)</u>	<u>(17,385)</u>	<u>(1,251)</u>	<u>16,134</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>17,835</u>	<u>17,385</u>		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Licenses and fees	25,000	25,000	22,220	(2,780)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>25,000</b>	<b>25,000</b>	<b>22,220</b>	<b>(2,780)</b>
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	13,800	19,355	14,761	4,594
Capital outlay	41,364	35,809	35,740	69
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>55,164</b>	<b>55,164</b>	<b>50,501</b>	<b>4,663</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (30,164)</b>	<b>(30,164)</b>	<b>(28,281)</b>	<b>1,883</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ 30,164</b>	<b>30,164</b>		



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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 245	245	367	122
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	245	245	367	122
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	657	657	657	-
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	657	657	657	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (412)	(412)	(290)	122
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ 412	412		

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, 2008

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

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, 2008

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

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 30,800	32,300	38,485	6,185
Intergovernmental	-	-	-	-
Interest income	250	1,250	1,682	432
Miscellaneous	-	3,500	3,500	-
<b>TOTAL REVENUES</b>	31,050	37,050	43,667	6,617
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	59,800	54,800	44,060	10,740
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	59,800	54,800	44,060	10,740
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (28,750)	(17,750)	(393)	17,357
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ 28,750	17,750		

See Independent Auditors' Report.

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 844,743	844,743	678,481	(166,262)
Intergovernmental	-	-	-	-
Interest income	400	400	3,803	3,403
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>845,143</b>	<b>845,143</b>	<b>682,284</b>	<b>(162,859)</b>
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	880,768	1,010,768	776,471	234,297
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>880,768</b>	<b>1,010,768</b>	<b>776,471</b>	<b>234,297</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (35,625)</b>	<b>(165,625)</b>	<b>(94,187)</b>	<b>71,438</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ 35,625</b>	<b>165,625</b>		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	70,000	70,000	70,057	57
<b>TOTAL REVENUES</b>	70,000	70,000	70,057	57
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	73,542	54,271	49,319	4,952
Capital outlay	7,000	30,730	4,398	26,332
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	80,542	85,001	53,717	31,284
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (10,542)	(15,001)	16,340	31,341
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ 10,542	15,001		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Interest Income	-	-	58	58
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	58	58
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>-</b>	<b>58</b>	<b>58</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ -</b>	<b>-</b>		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 26,000	23,340	23,340	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>26,000</b>	<b>23,340</b>	<b>23,340</b>	<b>-</b>
<b>EXPENDITURES - current:</b>				
General EMS				
Public Safety:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
Gallinas EMS				
Public Safety:				
Operating	5,000	8,511	4,126	4,385
Capital outlay	-	<u>77,915</u>	-	<u>77,915</u>
	<u>5,000</u>	<u>86,426</u>	<u>4,126</u>	<u>82,300</u>
Sapello/Rociada EMS				
Public Safety:				
Operating	3,000	3,678	3,490	188
Capital outlay	-	<u>69</u>	-	<u>69</u>
	<u>3,000</u>	<u>3,747</u>	<u>3,490</u>	<u>257</u>
Conchas VFD				
Public Safety:				
Operating	5,000	5,500	695	4,805
Capital outlay	-	<u>5,321</u>	-	<u>5,321</u>
	<u>5,000</u>	<u>10,821</u>	<u>695</u>	<u>10,126</u>
Ilfeld VFD				
Public Safety:				
Operating	5,000	14,300	9,899	4,401
Capital outlay	-	<u>98</u>	-	<u>98</u>
	<u>5,000</u>	<u>14,398</u>	<u>9,899</u>	<u>4,499</u>



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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES - current - continued:</b>				
Cabo Lucero EMS				
Public Safety:				-
Operating	3,000	3,504	3,504	-
Capital outlay	-	-	-	-
	3,000	3,504	3,504	-
Sheridan EMS				
Public Safety:				-
Operating	-	-	-	-
Capital outlay	-	-	-	-
	-	-	-	-
Bernal/Tecolote EMS				
Public Safety:				-
Operating	5,000	5,240	4,821	419
Capital outlay	-	4,049	1,483	2,566
	5,000	9,289	6,304	2,985
<b>TOTAL EXPENDITURES</b>	26,000	128,185	28,019	100,166
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	(104,845)	(4,679)	(100,166)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	104,845		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Interest income	-	165	165	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	-	165	165	-
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	581	746	746	-
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	581	746	746	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (581)</b>	<b>(581)</b>	<b>(581)</b>	<b>-</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ 581</b>	<b>581</b>		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	25,400	25,400	25,400	-
Interest income	-	-	710	710
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>25,400</b>	<b>25,400</b>	<b>26,110</b>	<b>710</b>
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	19,904	19,904	19,903	1
Capital outlay	5,496	5,496	5,152	344
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>25,400</b>	<b>25,400</b>	<b>25,055</b>	<b>345</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ -</b>	<b>-</b>	<b>1,055</b>	<b>1,055</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ -</b>	<b>-</b>		

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, 2008

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

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2008

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

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	480,000	480,000	480,000	-
<b>TOTAL REVENUES</b>	480,000	480,000	480,000	-
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	420,500	480,000	387,299	92,701
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	420,500	480,000	387,299	92,701
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ 59,500	-	92,701	92,701
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ (59,500)	-		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	743,439	847,955	863,968	16,013
Interest income	500	2,500	2,640	140
Miscellaneous	<u>5,500</u>	<u>14,000</u>	<u>15,530</u>	<u>1,530</u>
<b>TOTAL REVENUES</b>	749,439	864,455	882,138	17,683
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	748,596	963,030	844,309	118,721
Capital outlay	-	-	-	-
Prinpal and Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	748,596	963,030	844,309	118,721
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ <u>843</u>	<u>(98,575)</u>	<u>37,829</u>	<u>136,404</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>(843)</u>	<u>98,575</u>		

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	19,000	19,000	18,237	(763)
<b>TOTAL REVENUES</b>	19,000	19,000	18,237	(763)
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	56,107	56,107	6,655	49,452
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	56,107	56,107	6,655	49,452
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (37,107)	(37,107)	11,582	48,689
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ 37,107	37,107		



STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Special Revenue Funds - CDBG 01-C-RS-I-1-G-77  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	411,000	411,000	177,152	(233,848)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	411,000	411,000	177,152	(233,848)
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	58,129	48,498	48,129	369
Capital outlay	330,812	369,443	363,076	6,367
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	388,941	417,941	411,205	6,736
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ <u>22,059</u>	<u>(6,941)</u>	<u>(234,053)</u>	<u>(227,112)</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>(22,059)</u>	<u>6,941</u>		

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	-	65,481	-	(65,481)
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	-	65,481	-	(65,481)
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	-	104,493	39,152	65,341
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	104,493	39,152	65,341
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	39,012	14,009	25,003
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	39,012	14,009	25,003
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	-	(25,143)	(25,143)
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-		

## 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.

Public Works Facility – To account for the accumulation of resources and payments related to the Public Works Facility Planning, Design, Construction and Construction Observation.

Crusher Facility and Equipment – To account for the accumulation of resources and payments related to the purchase/lease of property, permitting, planning, designing, purchase of equipment and construction related to the Crusher Facility and Equipment.

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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	-	-	-	-
Capital outlay	73,661	73,661	13,955	59,706
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	73,661	73,661	13,955	59,706
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (73,661)	(73,661)	(13,955)	59,706
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ 73,661	73,661		

See Independent Auditors' Report.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	150,000	150,000	148,500	(1,500)
Interest Income	11,250	18,187	18,189	2
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>161,250</b>	<b>168,187</b>	<b>166,689</b>	<b>(1,498)</b>
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	10,000	24,262	24,262	-
Capital outlay	1,012,904	1,005,579	1,013,797	(8,218)
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,022,904</b>	<b>1,029,841</b>	<b>1,038,059</b>	<b>(8,218)</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (861,654)</b>	<b>(861,654)</b>	<b>(871,370)</b>	<b>(9,716)</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ 861,654</b>	<b>861,654</b>		

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Capital Projects Funds - Public Works Facility  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Loan Proceeds	-	1,200,000	1,200,000	-
Interest Income	-	-	6,157	6,157
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	-	1,200,000	1,206,157	6,157
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	-	88,706	-	88,706
Capital outlay	-	1,111,294	-	1,111,294
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	1,200,000	-	1,200,000
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	-	<u>1,206,157</u>	<u>1,206,157</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-		

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Capital Projects Funds - Crusher Facility and Equipment  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Loan Proceeds	-	1,000,000	1,000,000	-
Interest Income	-	-	5,131	5,131
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	-	1,000,000	1,005,131	5,131
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	-	-	-	-
Capital outlay	-	1,000,000	-	1,000,000
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	-	1,000,000	-	1,000,000
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ -	-	1,005,131	1,005,131
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ -	-		

## 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.

1997A and 2007 Series Bond Issue -To account for revenues and expenditures of the 1997A and 2007 Series 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 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.



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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 425,000	425,000	452,268	27,268
Intergovernmental	500,000	563,257	563,257	-
Interest income	-	12,000	19,874	7,874
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<b>925,000</b>	<b>1,000,257</b>	<b>1,035,399</b>	<b>35,142</b>
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	60,471	60,471	60,470	1
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>60,471</b>	<b>60,471</b>	<b>60,470</b>	<b>1</b>
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	-	-	-	-
Operating transfers out	(991,079)	(1,041,079)	(1,041,079)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(991,079)</b>	<b>(1,041,079)</b>	<b>(1,041,079)</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (126,550)</b>	<b>(101,293)</b>	<b>(66,150)</b>	<b>35,143</b>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	<b>\$ 126,550</b>	<b>101,293</b>		

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Debt Service Funds - 1997 A and 2007 Series Bond Issue  
Statement of Revenues and Expenditures -  
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	-	-	-	-
<b>EXPENDITURES - current:</b>				
Public works:				
Operating	473,464	473,464	473,464	-
Capital outlay	-	-	-	-
Prinpal and Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	473,464	473,464	473,464	-
<b>OTHER FINANCING SOURCES:</b>				
Operating transfers in	505,806	505,806	505,806	-
Operating transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	505,806	505,806	505,806	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ <u>32,342</u>	<u>32,342</u>	<u>32,342</u>	<u>-</u>
<b>PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET</b>	\$ <u>(32,342)</u>	<u>(32,342)</u>		

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, 2008

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

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, 2008

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

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, 2008

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

## 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, 2008

	Treasurer Fund	El Valle Foundation Fund	Employee Fund	Inmate Trust Fund	Total
<b>ASSETS:</b>					
Cash and cash equivalents (Note 2)	\$ 261,267	42,097	2,422	18,125	323,911
Taxes receivable	3,128,421	-	-	-	3,128,421
<b>TOTAL ASSETS</b>	<b>\$ 3,389,688</b>	<b>42,097</b>	<b>2,422</b>	<b>18,125</b>	<b>3,452,332</b>
<b>LIABILITIES:</b>					
Due to other agencies	\$ 3,260	-	-	-	3,260
Due to other funds	39,513	-	-	-	39,513
Uncollected taxes	3,085,592	-	-	-	3,085,592
Accounts payable	60	-	-	-	60
Undistributed taxes	261,263	-	-	-	261,263
Deposits held in trust for others	-	42,097	2,422	18,125	62,644
<b>TOTAL LIABILITIES</b>	<b>\$ 3,389,688</b>	<b>42,097</b>	<b>2,422</b>	<b>18,125</b>	<b>3,452,332</b>

**OTHER SUPPLEMENTAL SCHEDULES**



STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

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

AS OF JUNE 30, 2008

	<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, 2007	\$ 3,304,542	55,266	2,732	14,206	3,376,746
Increase	11,570,417	21,762	2,627	12,480	11,607,286
Decrease	<u>11,485,271</u>	<u>34,931</u>	<u>2,937</u>	<u>8,561</u>	<u>11,531,700</u>
Assets, June 30, 2008	\$ <u>3,389,688</u>	<u>42,097</u>	<u>2,422</u>	<u>18,125</u>	<u>3,452,332</u>
Liabilities, July 1, 2007	\$ 3,304,542	55,266	2,732	14,206	3,376,746
Increase	11,570,417	21,762	2,627	12,480	11,607,286
Decrease	<u>11,485,271</u>	<u>34,931</u>	<u>2,937</u>	<u>8,561</u>	<u>11,531,700</u>
Liabilities, June 30, 2008	\$ <u>3,389,688</u>	<u>42,097</u>	<u>2,422</u>	<u>18,125</u>	<u>3,452,332</u>

**STATE OF NEW MEXICO  
SAN MIGUEL COUNTY**

**Schedule 2 - Joint Powers Agreements**

**YEAR ENDED JUNE 30, 2008**

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

Participants / Description	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-line Pool	NMAC	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/New Mexico State University GIS Mapping	SMC	7/1/2003	6/30/2009	91,027	13,171	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

See Independent Auditors' Report.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2008

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
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/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
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	N/A
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/DWI Planning Council Joint Application to State of NM State Highway and Transportation	SMC	7/10/2007	N/A	N/A	N/A	N/A	SMC

See Independent Auditors' Report.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2008

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County Commissioners/Greer's Repair and Welding, Inc. Diesel Mechanical Services Public Works Heavy Equipment	SMC	6/22/2007	6/30/2008	N/A	N/A	N/A	SMC
San Miguel County/Medite Corporation Delaware Corp. Two Parcels of Land Located SMC; Tract 1 approx. 78.06 Acres of Land; Tract 2 approx. 65 Acres	SMC	8/2/2007	N/A	450,000	362,536	N/A	SMC
San Miguel County/Taschek Environmental Consulting (TEC) Categorical Exclusions and Related Studies for SMC GRIP Projects 2/2007	SMC	7/18/2008	N/A	N/A	N/A	N/A	SMC
San Miguel County/Miller Engineering Consultant, Inc. 2007 GRIP RFP Road Project - Provide Basic Engineering Services; Design and Preparation; Construction Drawing for Roadway and Improvement	SMC	7/9/2008	N/A	N/A	N/A	N/A	SMC
San Miguel County/Engineers, Inc. Engineering Services	SMC	7/10/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/Gannett Fleming West, Inc. Services as Needed: Chappelle Roadway Project; Pendaries Roadway Improvements; Storrie Bridge Project; Chappelle Low Water Crossing	SMC	7/9/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/Las Vegas Chamber of Commerce Advertising, Publicizing, Promoting Tourist-related Attractions & Facilities	SMC	7/1/2007	6/30/2008	N/A	25,025	N/A	SMC

See Independent Auditors' Report.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2008

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/SMC 4-H Rodeo Association Advertising, Publicizing and Promoting 4-H Rodeo Events	SMC	7/1/2007	6/30/2008	N/A	4,000	N/A	SMC
San Miguel County/Las Vegas Arts Council Advertising, Publicizing and Promoting Las Vegas Arts Council Events	SMC	7/1/2007	6/30/2008	N/A	4,000	N/A	SMC
San Miguel County/Board of Trustees of San Geronimo Land Grant Association Solid Waste	SMC	8/8/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/Music from Angel Fire Advertising, Publicizing and Promoting Music from Angel Fire Events	SMC	7/1/2007	6/30/2008	N/A	3,500	N/A	SMC
San Miguel County/SMC Fair Association Advertising, Publicizing and Promoting San Miguel County Fair	SMC	7/1/2007	6/30/2008	N/A	3,000	N/A	SMC
San Miguel County/RBC Capital Markets GRT Refinancing and New Money Issue	SMC	12/1/2007	12/30/2008	N/A	N/A	N/A	SMC
San Miguel County/Cruz Florez DWI Prevention Program	SMC	9/11/2007	07-08 Sch Yr	N/A	N/A	N/A	SMC
San Miguel County/Jennifer Bellin DWI Prevention Program	SMC	9/11/2007	07-08 Sch Yr	N/A	N/A	N/A	SMC
San Miguel County/Assessor Nick J. Michalski Appraisal Personnel Training	SMC	9/11/2007	N/A	N/A	N/A	N/A	SMC

See Independent Auditors' Report.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2008

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/RBC Capital Markets Financial Advisory Services Agreement	SMC	8/27/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County GRIP 2 Project/NM Department of Transportation Cooperative Project Agreement GRIP 2	SMC	8/14/2007	N/A	200,000	N/A	N/A	SMC
San Miguel County GRIP 2 Project/NM Department of Transportation Cooperative Project Agreement GRIP 2	SMC	8/14/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County GRIP 2 Project/NM Department of Transportation Cooperative Project Agreement GRIP 2	SMC	8/14/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County GRIP 2 Project/NM Department of Transportation Cooperative Project Agreement GRIP 2	SMC	8/14/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/Soleil West Sole Proprietorship Architect Normal Structural Mechanical Electrical Engineering Services	SMC	8/9/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/Soleil West Sole Proprietorship Architect Normal Structural Mechanical Electrical Engineering Services	SMC	8/9/2007	N/A	N/A	N/A	N/A	SMC
NM Department of Transportation/San Miguel County Community DWI Programs Contractual Services	SMC	8/29/2007	N/A	19,990	N/A	N/A	SMC

See Independent Auditors' Report.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2008

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
Guadalupe County Fire and Rescue Services/SMC Fire and Emergency Services - Tecolotito Area	SMC	9/20/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/Cruz Florez DWI Prevention Contractor	SMC	10/18/2007	FY 07/08	N/A	N/A	N/A	SMC
San Miguel County/Harding County County Road Declared Part of Harding County	SMC	10/9/2007	N/A	N/A	N/A	N/A	SMC
The Anchor Point Group, LLC and the Placitas Group, Inc./San Miguel County Community Wildfire Protection Plan	SMC	10/18/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County Lease or Purchase Property to be Used for a Rock Crushing Site	SMC	11/13/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/New Mexico Financy Authority Right of Way, Planning, Design and Construction of Roadway Drainage	SMC	11/13/2007	N/A	400,000	N/A	N/A	SMC
San Miguel County/New Mexico Financy Authority Right of Way, Planning, Design and Construction of Roadway Drainage	SMC	N/A	N/A	1,300,000	N/A	N/A	SMC
San Miguel County/City of Las Vegas Animal Control Services	SMC	11/8/2007	5 Years	N/A	N/A	N/A	SMC
San Miguel County/The Safety Institute Drug and Alcohol Drug Screens	SMC	1/1/2008	N/A	N/A	N/A	N/A	SMC

See Independent Auditors' Report.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2008

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
SMC/Board of Trustees of Tecolote Land Grant Lease and Use of Property	SMC	4/10/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/Rocky Road Gravel Products Emergency Snow Removal and/or Road Maintenance	SMC	12/14/2007	12/31/2008	N/A	N/A	N/A	SMC
NM Department of Transportation/San Miguel County Project or Project Control	SMC	11/28/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/EP Construction Assist as Needed - Removal of Snow with Various County Roads	SMC	12/11/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/JA Concrete, Inc. Assist as Needed - Removal of Snow with Various County Roads	SMC	12/11/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/Assessor Nick J. Michalski Appraisal Personnel Training	SMC	1/8/2008	N/A	N/A	N/A	N/A	SMC
San Miguel County/San Miguel Hospital Corporation Alta Vista Regional Medical Center, Successor to North Eastern Regional Hospital Healthcare Services in the Community	SMC	12/14/2007	N/A	480,000	N/A	N/A	SMC
San Miguel County/Duran Sand & Gravel, Inc. Assist as Needed - Removal of Snow with Various County Roads	SMC	12/14/2007	12/31/2008	N/A	N/A	N/A	SMC

See Independent Auditors' Report.



STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2008

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/Sangre de Cristo Solid Waste Authority Trucks and Equipment Assistance Provided to Members	SMC	10/12/2007	N/A	N/A	N/A	N/A	SMC
NM Department of Transportation/San Miguel County Blading, Shaping and Drainage Improvements of Various County Roads	SMC	9/11/2007	N/A	71,888	N/A	N/A	SMC
NM Department of Transportation/San Miguel County Blading, Shaping and Drainage Improvements of Various County Roads	SMC	9/11/2007	N/A	144,579	N/A	N/A	SMC
NM Department of Transportation/San Miguel County Blading, Shaping and Drainage Improvements of Various County Roads	SMC	9/11/2007	N/A	82,501	N/A	N/A	SMC
NM Department of Transportation/San Miguel County Capital Cooperative Agreement for 2007 Legislative Appropriations	SMC	11/28/2007	N/A	1,055,000	N/A	N/A	SMC
San Miguel County/Sierra Transit Mix, Inc. San Miguel County Parking Lot	SMC	1/18/2008	N/A	135,309	N/A	N/A	SMC
San Miguel County/Pecos Valley Medical Center Ambulance Service	SMC	1/1/2008	12/31/2008	N/A	N/A	N/A	SMC
New Choices, Inc./San Miguel County Substance Abuse, Addiction in San Miguel County	SMC	1/24/2008	N/A	N/A	N/A	N/A	SMC

See Independent Auditors' Report.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2008

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
NM Department of Transportation/San Miguel County Project Agreement #08-CD-05-087	SMC	3/11/2008	N/A	19,990	N/A	N/A	SMC
San Miguel County/City of Las Vegas JPA for Office of Emergency Management	SMC	3/24/2008	N/A	N/A	N/A	N/A	SMC
San Miguel County/Soleil West Sole Proprietorship Architect Normal Structural Mechanical Electrical Engineering Services	SMC	1/21/2008	N/A	N/A	N/A	N/A	SMC
San Miguel County/Soleil West Sole Proprietorship Architect Normal Structural Mechanical Electrical Engineering Services Various County Roads	SMC	1/21/2008	N/A	N/A	N/A	N/A	SMC
NM Department of Homeland Security & Emergency Management/San Miguel County Sub Grant Agreement - Implement the Program as Detailed in the SOW and Budget Summary 2006-GR-T6-0064-San Miguel-Exercise	SMC	3/7/2008	6/15/2009	162,000	N/A	N/A	SMC
NM Department of Homeland Security & Emergency Management/San Miguel County Grant Award is Contingent Upon Availability of Federal Funds Approved by Congress	SMC	4/8/2008	N/A	N/A	N/A	N/A	SMC

See Independent Auditors' Report.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2008

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
NM Department of Homeland Security & Emergency Management/San Miguel County Sub Grant Agreement - Implement the Program as Detailed in the SOW and Budget Summary 2006-GR-T6-0064-San Miguel-Exercise	SMC	3/7/2008	6/15/2009	162,000	N/A	N/A	SMC
San Miguel County/Soleil West Sole Proprietorship Architect Normal Structural Mechanical Electrical Engineering Services Various County Roads	SMC	4/2/2008	N/A	N/A	N/A	N/A	SMC
San Miguel County/Fourth Judicial District Attorney Office Remodel Project #0739	SMC	5/21/2008	N/A	297,325	N/A	N/A	SMC
San Miguel County/Greers Repair and Welding, Inc. Diesel Mechanical Services Public Works Heavy Equipment	SMC	7/1/2008	6/30/2009	45.00 per hr./ 1.50 mileage	N/A	N/A	SMC
San Miguel County/Greers Repair and Welding, Inc. Diesel Mechanical Services Public Works Heavy Equipment	SMC	6/11/2008	N/A	N/A	N/A	N/A	SMC
San Miguel County/Franken Construction Co., Inc. General, Supplementary and Other Conditions	SMC	5/16/2008	N/A	276,100 + tax	N/A	N/A	SMC
San Miguel County/Patrick W. Snedeker Jail Administrator Employee Jail Administrator/Warden	SMC	6/10/2008	N/A	N/A	N/A	N/A	SMC

See Independent Auditors' Report.

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2008

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/Our Lady of Sorrows Parish County Employees and Public Doing Business SMC Parking Area	SMC	5/6/2008	N/A	N/A	N/A	N/A	SMC

**FINANCIAL DATA SCHEDULE**

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Financial Data Schedule

YEAR ENDED JUNE 30, 2008

HUD Line Item #	Accounts	Section 8 Rental Voucher 14.855
	<b>ASSETS:</b>	
111	Section 8 Fund Cash	\$ <u>237,271</u>
	<b>TOTAL ASSETS</b>	<b>\$ <u>237,271</u></b>
	<b>LIABILITIES AND FUND BALANCES:</b>	
	Liabilities:	
	Accounts payable	\$ 610
331	Accrued payroll	2,757
	Due to others	3,273
342	Deferred revenue	<u>201,890</u>
	Total liabilities	208,530
	Fund balances:	
512	Unreserved, undesignated	<u>28,741</u>
	Total fund equity	<u>28,741</u>
	<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u>237,271</u></b>

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Financial Data Schedule - continued

YEAR ENDED JUNE 30, 2008

HUD Line Item #	Accounts	Section 8 Rental Voucher 14.855
<b>REVENUE:</b>		
706	HUD PHA Grants	\$ 844,309
711	Investment revenue	<u>2,763</u>
	<b>TOTAL REVENUE</b>	<b>847,072</b>
<b>EXPENDITURES:</b>		
962	Other general expenses	65,755
976	Housing assistance payments	<u>779,145</u>
	<b>TOTAL EXPENDITURES</b>	<b><u>844,900</u></b>
	<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ <u>2,172</u></b>
<b>MEMO ACCOUNTING INFORMATION:</b>		
1103	Beginning equity	\$ <u>26,569</u>
513	Total fund equity	\$ <u>28,741</u>

**SINGLE AUDIT**



STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Supplemental Schedule of Expenditures of Federal Awards

YEAR ENDED JUNE 30, 2008

<u>Federal Agency/ Pass-Through Agency</u>	<u>Federal CFDA Number</u>	<u>Federal Participating Expenditures</u>
U.S. Department of Housing & Urban Development		
Community Development Block Grant	14.219	\$ 406,310
Section 8 Choice Vouchers Program	14.871	<u>844,310</u>
 Total U.S. Department of Housing & Urban Development		 1,250,620
 U.S. Department of Homeland Security		
Assistance to Firefighters Grant	97.044	69,452
Office of Emergency Management	97.XX	17,870
Corp of Engineers	97.XX	<u>14,200</u>
 Total U.S. Department of Homeland Security		 <u>101,522</u>
 <b>Total</b>		 <b>\$ <u>1,352,142</u></b>

**Notes to the Supplemental Schedule of Expenditures of Federal Awards**

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**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.

**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

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, 2008. 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, 2008, and have issued our report thereon dated November 3, 2008, 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.

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

### **Internal Control Over Financial Reporting - continued**

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 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, 07-5, 08-2, 08-3, 08-4, and 08-5.

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 also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 04-2, 04-6 and 05-6 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 matters that are required to be reported under *Government Auditing Standards* paragraph 5.14 and 5.16, and Section 12-6-5 NMSA 1978, which are described

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

**Compliance and Other Matters - continued**

in the accompanying schedule of findings and questioned costs as items 04-4, 07-2 and 08-1.

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.

*Mayners + Company, LLC*

November 3, 2008

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

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, 2008. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of 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 Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2008.

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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.

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

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 08-04 and 08-05 to be significant deficiencies.

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. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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.

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

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.

*Meyners + Company, LLC*

November 3, 2008



YEAR ENDED JUNE 30, 2008

**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 nine significant deficiencies identified, of which three 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 two 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  
CDBG Tecolote Roadway Improvement Grant – CFDA No. 14.219
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The County was determined to be a low-risk auditee.

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

**Current Year Findings**

**08-1 UNABLE TO VALIDATE THIRD PARTY USAGE REPORTS**

**Statement of Condition:** During cash disbursement testwork, we could not vouch third party vehicle analysis reports to internal documentation regarding the purchase and usage of fuel per vehicle.

**Criteria:** Third party usage reports should be reconciled to internal usage reports maintained for each County vehicle. 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:** Lack of controls surrounding fuel purchase/usage documentation

**Effect:** Potential for misappropriation of fuel consumption.

**Recommendation:** Implement a process in which each car has a fuel purchase log which can be reconciled to the amount of fuel purchased on third party vehicle analysis report.

**Management's Response:** The Finance Office is reviewing the fuel reports provided by the vendor on a monthly basis. The reports contain beginning and ending odometer readings as well as the number of gallons purchased during a given period. The reports are reviewed for reasonableness. In the event that there is something that we have questions on or need further verification, the individual department supervisors are contacted to further review and inform the Finance Office.

**08-2 PROJECT REVENUES AND EXPENDITURES NOT ACCURATELY STATED**

**Statement of Condition:** The schedule of federal revenues and expenditures provided by the County did not agree to supporting revenue receipts or project schedules of expenditures.

**Criteria:** To meet management needs, federal reporting requirements, and comply with State law, agencies must recognize and accrue revenues using either the accrual or modified accrual basis, depending on the fund type. The Department of Finance and Administration's *Model Accounting Practices* (Volume I, Chapter 3B Section 3.1) requires proper recognition.

**Cause:** Insufficient staffing.

**Effect:** Project revenues and expenditures are not accurately stated. Federal revenue reimbursements could be inaccurate.

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**08-2 PROJECT REVENUES AND EXPENDITURES NOT ACCURATELY STATED - continued**

**Recommendation:** We recommend the County implement a better tracking system regarding federal revenues and expenditures.

**Management's Response:** The Finance Supervisor concurs with the audit finding and will ensure that the schedule agrees to activity to the actual activity. Currently the schedule is prepared at year end. Upon creating the schedule there are chances of not bringing in all of the appropriate information from individual grant documents. One federal schedule will now be maintained on a regular basis rather than individual reports to ensure all activity is provided to the auditors.

**08-3 YEAR END ACCRUALS NOT TRACKED ACCURATELY**

**Statement of Condition:** The recording of year end accounts payable did not include proper cutoff procedures.

**Criteria:** There should be an accrual for expenses incurred during the fiscal year by not paid for until after the balance sheet date. Generally Accepted Accounting Principles requires accrual basis accounting for items such as accounts payable.

**Cause:** The County operates on more of a cash-basis function and does not track year end accruals in an accurate manner.

**Effect:** Accruals, specifically accounts payable, may be materially understated.

**Recommendation:** We recommend the County perform reconciliations of the disbursements made after year end to determine those that belong to the prior year.

**Management's Response:** The Finance Office is on a cash basis. Therefore, payments made in the next fiscal year that reflect activity from the prior fiscal year must be identified for accrual purposes. A manual listing is created to account for these types of payments. A majority of the accruals were properly recognized, but there were some that passed us by and were not included on our listing. We will work with our database company to see if there is a systematic process to track this type of information so it won't have to be done manually. I am hoping that an invoice date field can be added to our system to aid us in this process.

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**Prior Year Findings (revised and updated)**

**04-2 MISCELLANEOUS RECEIPTS – TREASURER’S OFFICE – Repeated and Revised**

**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.

**Management’s 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 Receipting Program is not sold independently.

**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.

Schedule of Findings and Questioned Costs - continued

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**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**04-4 COUNTY TREASURER'S PROPERTY TAX SCHEDULE – Repeated -continued**

**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.

**Management's 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 – Repeated and 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 \$120,923.

**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)

**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

Schedule of Findings and Questioned Costs - continued

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**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**04-6 PROPERTY TAX ACCOUNT – GENERAL LEDGER – Repeated and Revised**

**Recommendation - continued:** has the time and resources to properly reconcile any remaining balances within the account. This procedure should happen as soon as possible.

**Management's 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.

**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 \$1,777,818.

**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 cannot 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.

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**05-6 SOLID WASTE ACCOUNTS RECEIVABLE – Repeated and Revised - continued**

**Management's Response:** The County hired a part-time staff member to assist in the reconciliation process. The main problem for the overstatement is that there have been accounts that were created up to ten years ago based on them either utilizing our facilities or setting up an account through other means. We are finding numerous items as a result; one of the things is that some of the individuals never lived in our community they were just passing through and disposed of items at one of our centers. Whenever, anyone disposes at our center we open up a new account assuming that they are a resident of the area. Once placed on our system they start receiving incurring quarterly charges. Over a course of ten years this amount can rack up to several hundred dollars. In addition, we are finding that some of the individuals with past due balances may have sold their property several years ago and they should have been removed from our system. We are attacking this through various angles. One of our approaches was to research returned mail. The process was to research those individuals through our assessor system to determine if they were even property owners. Of those individuals there were 216 that we could not tie to owning property. The amount owed by these individuals totaled \$114,333. We presented these accounts to the Commission and were granted approval to deactivate the accounts but not remove their balances from our system. We are attempting to review our other non-payment accounts to the assessors system to determine other accounts that can either be deactivated or written off.

**07-1 FINANCE DEPARTMENT SEGREGATION OF DUTIES - Repeated and Revised**

**Statement of Condition:** It was noted during the year that the County is starting to implement segregation of duties. However, during journal entry review test work in the current year, journal entry number #167 in the month of February did not have a review and approval by someone other than the preparer. 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.

Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**07-1 FINANCE DEPARTMENT SEGREGATION OF DUTIES - Repeated and Revised - continued**

**Management's Response:** In fiscal years 2007/2008 there was to be two individuals trained in creating journal entries. One of the positions was vacant for seven months and the Finance Office was unable to have the one person make all entries as they had other duties and responsibilities. At the end of fiscal years 2007/2008, the position was filled and there are now two individuals within the office who will be tasked with these duties. The entries will be reviewed by the finance supervisor.

**07-2 PER DIEM VIOLATION - Repeated and Revised**

**Statement of Condition:** During internal control testwork over per diem expenditures, it was noted that check number 42129 did not include the proper partial day per diem reimbursement amount.

**Criteria:** Per NMAC code section 2.42.2.8 section B(3), partial day reimbursement shall be made to employees.

**Cause:** Management oversight.

**Effect:** Employees are not getting paid their partial day per diem allowed by state law for travel.

**Recommendation:** We recommend that the County implement a thorough review process of all per diem requests and recalculate the partial day reimbursements.

**Management's Response:** This was an oversight and the Finance Office is aware of the partial day requirement. During the review process the Finance Supervisor will ensure that these partial day payments are being processed accurately.

**07-5 CAPITAL ASSETS ADDITIONS - Repeated and Revised**

**Statement of Condition:** During our test work over capital assets, we noted that the County did not include capital asset additions for items incurred prior to year end, but paid subsequent to year end. Also, capital asset additions did not agree to the capital outlay expenditures schedule. It was also noted that the beginning balances of infrastructure did not agree to the prior year's ending balances.

**Criteria:** Rights of ownership have occurred when the item(s) is received and an expenditure has been incurred. All capital asset additions must be included to roll forward capital asset balances and should agree to the capital outlay expenditure accounts.



Schedule of Findings and Questioned Costs - continued

**B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued**

**07-5 CAPITAL ASSETS ADDITIONS - Repeated and Revised - continued**

**Cause:** The County operates on a cash basis; therefore, it did not capture these during the initial reconciliation of capital outlay to capital asset additions. Also, the capital outlay spreadsheet was created prior to year end adjustments, which caused a variance between capital asset additions and capital outlay expenditures.

**Effect:** Misstatement of capital assets and capital outlay expenditures.

**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.

**Management's Response:** The Finance Supervisor concurs with the audit finding. We will include subsequent payments to the listing and upon preparing the year-end adjustments will coordinate efforts to ensure that they are also reflected on the fixed asset schedule.

Schedule of Findings and Questioned Costs - continued

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

08-4 SECTION 8 HOUSING CHOICE VOUCHER ELIGIBILITY DEVIATIONS -  
CFDA No. 14.871

**Statement of Condition:** During eligibility testwork for single audit-Section 8 Housing Choice Voucher, we noted six deviations relating to reexamining family income and composition using the documentation from third party verification.

**Criteria:** According to the Section 8 Housing Choice Voucher grant agreement (24 CFR section 982.516), the Public Housing Agency (PHA) must reexamine family income and composition at least once every 12 months and adjust the tenant rent and housing assistance payment as necessary using the documentation from third party verification.

**Cause:** The County was faced with some staffing turnover, which delayed some form HUD-50058 submissions.

**Effect:** The County is not in compliance with OMB A-133 Single Audit requirements.

**Recommendation:** We recommend the County dedicate resources to ensure all tenant files are reexamined for family income and composition within the stated 12 month period.

**Management's Response:** Section 8 Housing, is in the process of manually tracking the times for re-exams, and to be more strenuous with the tenants bringing their information back on time. All re-exams will be completed by the end of this month and from this moment forward, all re-exams will be completed no later than 30 days prior to their due date.

08-5 CDBG GRANT PROGRESS REPORTS NOT SUBMITTED TIMELY -  
CFDA No. 14.219

**Statement of Condition:** During single audit testwork for the CDBG Grant Agreement, we noted that all progress reports were either not submitted on time or not submitted at all.

**Criteria:** The county is required to submit progress reports to the Division not later than July 10, 2006; January 10, 2007; April 10, 2007; July 10, 2007; October 10, 2007; January 10, 2008 and April 10, 2008; as well as a final report no later than 25 days after the grant termination date of May 1, 2008.

**Cause:** The County only submitted two progress reports for the set dates above, both of which were submitted approximately a week subsequent to the 10<sup>th</sup> day of the month required. Also, the County submitted their final report approximately 3 ½ months subsequent to the grant termination date.

Schedule of Findings and Questioned Costs - continued

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

**08-6 CDBG GRANT PROGRESS REPORTS NOT SUBMITTED TIMELY –  
CFDA No. 14.219 - continued**

**Effect:** The County is not in compliance with the grant agreement with the Community Development Block Grant program.

**Recommendation:** We recommend the County develops a process to ensure all progress reports are submitted prior to the deadlines outlined within the grant agreement, as well as submitting the final report within the time frame allowed by the agreement.

**Management's Response:** San Miguel County will develop a process as per the CDBG Implementation Manual to track and submit required progress reports on a timely manner as per grant agreement.

Summary Schedule of Prior Year Audit Findings

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**STATUS OF PRIOR YEAR AUDIT FINDINGS**

<b>Finding No.</b>	<b>Description</b>	<b>Status</b>
04-2	Miscellaneous Receipts – Treasurer’s Office	Repeated and Revised
04-4	County Treasurer’s Property Tax Schedule	Repeated
04-6	Property Tax Account – General Ledger	Repeated and Revised
04-11	Lodger’s Tax Audit Reports	Resolved
05-2	Untimely Deposits	Resolved
05-6	Solid Waste Accounts Receivable	Repeated and Revised
07-1	Finance Department Segregation of Duties	Repeated and Revised
07-2	Per Diem Violation	Repeated and Revised
07-3	Background Check	Resolved
07-4	Holiday Pay	Resolved
07-5	Capital Assets Additions	Repeated and Revised
07-6	Capital Assets Disposals	Resolved

STATE OF NEW MEXICO  
SAN MIGUEL COUNTY

Exit Conference

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An exit conference was held with the County on November 13, 2008. The conference was held in the San Miguel County, County Manager's Office. In attendance were:

STATE OF NEW MEXICO SAN MIGUEL COUNTY

David R. Salazar, 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 Supervising Senior  
Laura Beltran, CPA, Assurance Senior

PREPARATION OF FINANCIAL STATEMENTS

The financial statements presented in this report have been prepared by the independent auditor, reviewed and approved by the management of San Miguel County. The responsibility of the financial statements is the management's, as addressed in the Independent Auditors' Report.