

**STATE OF NEW MEXICO
SAN MIGUEL COUNTY**

**Financial Statements
for the Year Ended
June 30, 2010,
and Independent
Auditors' Report**



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STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Official Roster

Year Ended June 30, 2010

NAME

TITLE

BOARD OF COUNTY COMMISSIONERS

David R. Salazar	Chairman
June J. Garcia	Vice-Chairman
Marcellino A. Ortiz	Commissioner
Albert Padilla	Commissioner
Nicholas T. Leger	Commissioner

ELECTED OFFICIALS

Elaine Estrada	County Assessor
Melanie Rivera	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 San Miguel County (the County) as of and for the year ended June 30, 2010, 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 for the major capital project fund, major debt service fund, major enterprise fund and all non-major funds, presented as supplementary information in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2010, 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. Accordingly, we express no such opinion. 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each non-major governmental fund and



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

fiduciary fund of the County, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparisons for the major capital project fund, major debt service fund, major enterprise fund and all non-major funds 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 10, 2010, 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 10, 2010

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Management's Discussion and Analysis
Year Ended June 30, 2010

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, 2010.

Financial Highlights

The County experienced a five percent decrease in the gross receipt taxes in FY09/10, as well as a reduction in the Payment in Lieu of Taxes in comparison to what was received in FY08/09.

The County spent \$284,020 in American Recovery Reinvestment Act (ARRA) Funds during FY09/10 of a \$1,899,630 budget. The ARRA funding awarded to San Miguel County consisted of funds for: a Waste Water Project at the Northern New Mexico Business Park, Cinder Road Pedestrian Walkway Project, Clean Diesel Project and for capital outlay/inventory items needed in the Sheriff's Department (Justice of Assistance Grant).

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-seven other individual governmental funds, of which thirty-two are classified as Special Revenue funds, six are classified as Debt Service funds, and nine are classified as Capital Projects funds. Information for the General fund, the Detention Center fund, the Capital Outlay/Infrastructure Revenue Bond fund, Fire District funds, Public Works Facility fund and Community Projects 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 24. 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 \$25,901,350. The net asset category, invested in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt, is at a positive \$17,824,200. This is a result of bond proceeds that have not been expended during the fiscal year, maintaining cash reserve requirements set by the Department of Finance and Administration and due to a large amount of Fire District Funds on hand that have not yet been set. 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, 2010

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, 2010.

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

	Governmental Activities		Business-Type Activities		Total	
	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009
Assets:						
Current and other assets	\$ 9,399,666	12,875,916	-	-	9,399,666	12,875,916
Capital assets	<u>32,396,923</u>	<u>28,051,935</u>	<u>655,605</u>	<u>675,667</u>	<u>33,052,528</u>	<u>28,727,602</u>
Total assets	\$ <u>41,796,589</u>	<u>40,927,851</u>	<u>655,605</u>	<u>675,667</u>	<u>42,452,194</u>	<u>41,603,518</u>
Liabilities:						
Current liabilities	\$ 2,403,766	1,281,498	-	-	2,403,766	1,281,498
Long-term liabilities	<u>13,491,473</u>	<u>15,361,401</u>	-	-	<u>13,491,473</u>	<u>15,361,401</u>
Total liabilities	15,895,239	16,642,899	-	-	15,895,239	16,642,899
Net assets:						
Invested in capital assets, net of related debt	17,824,200	12,690,534	655,605	675,667	18,479,805	13,366,201
Restricted	-	-	-	-	-	-
Unrestricted	<u>8,077,150</u>	<u>11,594,418</u>	-	-	<u>8,077,150</u>	<u>11,594,418</u>
Total net assets	<u>25,901,350</u>	<u>24,284,952</u>	<u>655,605</u>	<u>675,667</u>	<u>26,556,955</u>	<u>24,960,619</u>
Total liabilities and net assets	\$ <u>41,796,589</u>	<u>40,927,851</u>	<u>655,605</u>	<u>675,667</u>	<u>42,452,194</u>	<u>41,603,518</u>

The significant change in net assets for fiscal year 2010 as compared to fiscal year 2009 was an increase of \$4,324,926 in capital assets. The increases are due to construction work at the County Courthouse, the District Attorney Office, the Public Works Facility, infrastructure improvements at the Northern New Mexico Wood Business Park, an addition to the Sapello/Rociada Volunteer Fire Department and the purchase of the Tri-Family Justice Center. The increase also reflects work on various road/infrastructure improvements and vehicle purchases for volunteer fire departments, the Sheriff's Office, Public Works, Finance, Clerks and the Assessors' Office.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Management's Discussion and Analysis - continued
Year Ended June 30, 2010

Financial Analysis of the County as a Whole - continued

Changes in Net Assets

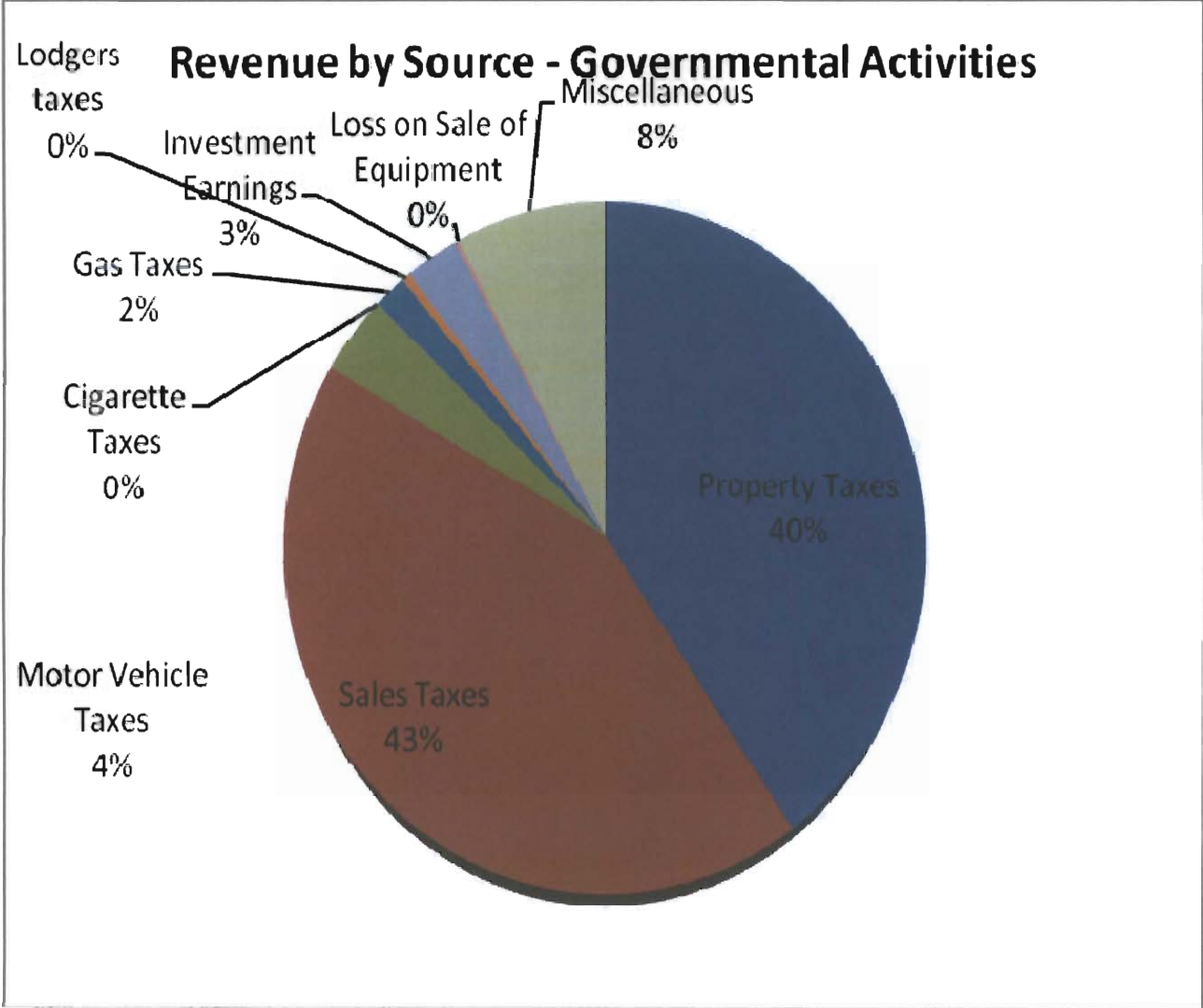
Table A-2 summarizes the County's changes in net assets for fiscal year 2010. Governmental activities during the year increased the County's net assets by \$1,602,050.

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

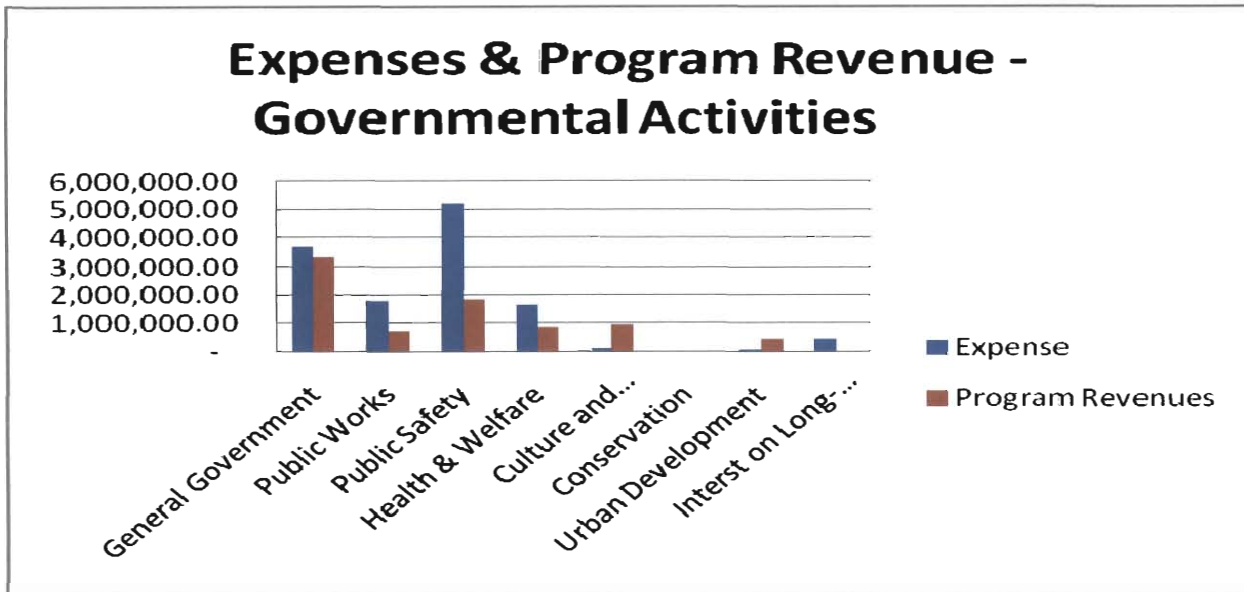
	Governmental Activities		Business-Type Activities		Total	
	FY2010	FY2009	FY2010	FY2009	FY2010	FY2009
Revenues:						
Program revenues:						
Charges for services	\$ 840,608	958,653	-	-	840,608	958,653
Operating grants & contributions	5,310,190	6,536,407	-	-	5,310,190	6,536,408
Capital grants & contributions	830,230	3,335,196	-	-	830,230	3,335,196
General revenues:						
Property taxes	3,990,866	3,577,473	-	-	3,990,866	3,577,473
Other taxes	4,192,791	4,199,347	-	-	4,192,791	4,199,347
Investment income	149,456	207,540	-	-	149,456	207,540
Other	133,698	263,361	-	-	133,698	263,361
Total revenues	15,447,839	19,077,977	-	-	15,447,839	19,077,977
Expenses:						
General government	4,630,071	4,374,978	-	-	4,630,071	4,374,978
Public works	1,924,570	1,677,587	-	-	1,924,570	1,677,587
Public safety	4,923,629	5,172,643	-	-	4,923,629	5,172,643
Health & welfare	1,358,423	1,590,306	-	-	1,358,423	1,590,306
Culture & recreation	218,019	148,310	-	-	218,019	148,310
Conservation	80,789	108,519	-	-	80,789	108,519
Urban redevelopment	11,835	-	-	-	11,835	-
Interest on long-term debt	698,453	796,416	-	-	698,453	796,416
Ribera Housing	-	-	20,062	21,118	20,062	21,118
Total expenses	13,845,789	13,868,759	20,062	21,118	13,865,851	13,889,877
Increase in net assets	\$ 1,602,050	5,209,218	(20,062)	(21,118)	1,581,988	5,188,100

The County's revenues decreased by 19% from the previous fiscal year. The most significant changes were related to loan proceeds recognized in the prior year for the remodel of the Courthouse, the set up of the Crusher Operation and for the construction of the Public Works Facility. There was also a decrease in PILT funding.

Financial Analysis of the County as a Whole – continued



Financial Analysis of the County as a Whole – continued



During the fiscal year ending June 30, 2010, the County had \$33,052,528 invested in a broad range of capital assets. The capital assets include construction in progress at the Courthouse, the District Attorney's Office, District Court, Sapello Volunteer Fire Department, and the Wood Business Park and Detention Center. The increase also reflects work on various road/infrastructure improvements and vehicle purchases for volunteer fire departments, the sheriff's office, public works, the assessor's office and the veterans program.

The County's fiscal year 2011 capital budget calls for \$5,834,763 in capital projects, principally for the Cinder Road Pedestrian Walkway, Solid Waste Baler Station, Waste Water Project, Clean Deisel Project, Rural Business Enterprise Project, and the Tecolote Phase II project.

Governmental Funds

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$6,801,570. Approximately 35% 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 \$5,681,712 and actual revenues received were \$5,347,909, which is a negative variance of \$333,803.

The General Fund Budgeted Expenditures had a negative variance of \$89,993. The majority of the variance consists of approximately \$215,670 in capital outlay that was budgeted but not yet expended, and \$551,056 public safety costs expended but not budgeted.

Capital Assets

For fiscal year 2010, there was approximately \$6,088,201 in additions. The increases are due to construction work at the County Courthouse, the District Attorney Office, the Public Works Facility, infrastructure improvements at the Northern New Mexico Wood Business Park, an addition to the Sapello/Rociada Volunteer Fire Department and the purchase of the Tri-Family Justice Center. The increase also reflects work on various road/infrastructure improvements and vehicle purchases for volunteer fire departments, the Sheriff's Office, Public Works, Finance, Clerks, and the Assessors' Office.

Debt

At year-end, the County had approximately \$14,572,723 (exclusive of compensated absences) in bonds and notes outstanding for governmental activities. There was one new loan during fiscal year 2010. This loan consists of \$62,502 for the purpose of Waster Water Project.

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, 2010

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS:			
Cash and cash equivalents	\$ 5,628,536	-	5,628,536
Accounts receivable, net	2,876,513	-	2,876,513
Prepaid assets	581,399	-	581,399
Other assets	277,451	-	277,451
Due from agency fund	35,767	-	35,767
Capital assets, net of accumulated depreciation:			
Land	1,479,393	492,993	1,972,386
Construction in Progress	592,267	-	592,267
Buildings and improvements	18,902,893	162,612	19,065,505
Furniture and fixtures	8,326,329	-	8,326,329
Vehicles	2,008,950	-	2,008,950
Heavy equipment	419,325	-	419,325
Infrastructure	667,766	-	667,766
TOTAL ASSETS	\$ 41,796,589	655,605	42,452,194
LIABILITIES AND NET ASSETS:			
LIABILITIES:			
Accounts payable	\$ 325,797	-	325,797
Bank overdraft	120,231	-	120,231
Accrued payroll	280,496	-	280,496
Deferred revenue	248,338	-	248,338
Other liabilities	62,331	-	62,331
Accrued interest	285,323	-	285,323
Long-term liabilities:			
Due within one year	1,081,250	-	1,081,250
Due in more than one year	13,491,473	-	13,491,473
TOTAL LIABILITIES	15,895,239	-	15,895,239
NET ASSETS:			
Invested in capital assets, net of related debt	17,824,200	655,605	18,479,805
Unrestricted	8,077,150	-	8,077,150
TOTAL NET ASSETS	25,901,350	655,605	26,556,955
TOTAL LIABILITIES AND NET ASSETS	\$ 41,796,589	655,605	42,452,194

YEAR ENDED JUNE 30, 2010

		<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
PRIMARY GOVERNMENT:			
GOVERNMENTAL ACTIVITIES:			
General government	\$ 4,630,071	375,304	2,048,186
Public works	1,924,570	163,239	890,861
Public safety	4,923,629	302,065	1,648,491
Health and welfare	1,358,423	-	593,831
Culture and recreation	218,019	-	85,555
Conservation	80,789	-	37,738
Urban redevelopment	11,835	-	5,528
Interest on long-term debt	<u>698,453</u>	<u>-</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES	13,845,789	840,608	5,310,190
BUSINESS-TYPE ACTIVITIES:			
Ribera Housing	<u>20,062</u>	<u>-</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES	20,062	-	-
TOTAL PRIMARY GOVERNMENT	\$ <u>13,865,851</u>	<u>840,608</u>	<u>5,310,190</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Activities

Capital Grants and Contributions	Primary Government		Total
	Governmental Activities	Business-type Activities	
805,324	(1,401,257)	-	(1,401,257)
-	(870,470)	-	(870,470)
-	(2,973,073)	-	(2,973,073)
-	(764,592)	-	(764,592)
-	(132,464)	-	(132,464)
24,906	(18,145)	-	(18,145)
-	(6,307)	-	(6,307)
-	(698,453)	-	(698,453)
830,230	(6,864,761)	-	(6,864,761)
-	-	(20,062)	(20,062)
-	-	(20,062)	(20,062)
830,230	(6,864,761)	(20,062)	(6,884,823)
General revenues:			
Taxes:			
Property taxes	3,990,866	-	3,990,866
Sales taxes	3,669,065	-	3,669,065
Motor vehicle taxes	340,975	-	340,975
Cigarette taxes	461	-	461
Gas taxes	151,703	-	151,703
Lodgers taxes	30,587	-	30,587
Investment earnings	149,456	-	149,456
Gain on sale of equipment	16,430	-	16,430
Miscellaneous	117,268	-	117,268
Total general revenues	8,466,811	-	8,466,811
Change in net assets	1,602,050	(20,062)	1,581,988
Net assets, beginning	24,284,952	675,667	24,960,619
Restatements (Note 15)	14,348	-	14,348
Net assets, as restated	24,299,300	675,667	24,974,967
Net assets, ending	\$ 25,901,350	655,605	26,556,955

AS OF JUNE 30, 2010

	<u>General Fund</u>	<u>Detention Center</u>	<u>Major Capital Outlay/ Infrastructure Revenue Bond</u>
ASSETS:			
Cash and cash equivalents	\$ 1,268,714	-	108,617
Restricted cash	-	-	693,564
Property taxes receivable	1,651,415	-	-
Accounts receivable	68,348	75,312	70,507
Federal receivable (Note 3)	2,290	-	-
Prepaid expenses	174,936	1,456	-
Other assets	-	-	210,773
Due from other funds	<u>1,381,509</u>	<u>213,024</u>	<u>68,258</u>
TOTAL ASSETS	\$ <u>4,547,212</u>	<u>289,792</u>	<u>1,151,719</u>
LIABILITIES:			
Accounts payable	\$ 76,009	46,434	-
Bank overdraft	-	89,797	-
Accrued payroll	135,946	76,829	-
Deferred revenue	1,560,903	-	-
Debt service reserve	-	-	-
Due to other funds	<u>367,470</u>	<u>34,572</u>	<u>193,167</u>
TOTAL LIABILITIES	<u>2,140,328</u>	<u>247,632</u>	<u>193,167</u>
FUND BALANCES:			
Reserved:			
Debt service	-	-	958,552
Unreserved for:			
General Fund	2,406,884	-	-
Special revenue funds	-	42,160	-
Capital projects funds	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>2,406,884</u>	<u>42,160</u>	<u>958,552</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>4,547,212</u>	<u>289,792</u>	<u>1,151,719</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Balance Sheet - Governmental Funds

Funds					
Fire Districts	Public Works Facility	Community Projects	Other Governmental Funds	Total Governmental Funds	
1,791,904	38,474	-	1,619,506	4,827,215	
143	28,053	-	79,561	801,321	
-	-	-	20,491	1,671,906	
10,203	-	134,728	517,211	876,309	
-	-	45,000	281,008	328,298	
2,274	-	-	402,733	581,399	
24,041	-	-	42,637	277,451	
<u>222,624</u>	<u>-</u>	<u>-</u>	<u>174,904</u>	<u>2,060,319</u>	
<u>2,051,189</u>	<u>66,527</u>	<u>179,728</u>	<u>3,138,051</u>	<u>11,424,218</u>	
7,700	21,127	3,432	171,095	325,797	
-	-	-	30,434	120,231	
-	-	-	67,721	280,496	
-	-	-	248,338	1,809,241	
-	-	-	62,331	62,331	
<u>-</u>	<u>-</u>	<u>421,874</u>	<u>1,007,469</u>	<u>2,024,552</u>	
<u>7,700</u>	<u>21,127</u>	<u>425,306</u>	<u>1,587,388</u>	<u>4,622,648</u>	
-	-	-	597,103	1,555,655	
-	-	-	-	2,406,884	
2,043,489	-	(245,578)	792,784	2,632,855	
<u>-</u>	<u>45,400</u>	<u>-</u>	<u>160,776</u>	<u>206,176</u>	
<u>2,043,489</u>	<u>45,400</u>	<u>(245,578)</u>	<u>1,550,663</u>	<u>6,801,570</u>	
<u>2,051,189</u>	<u>66,527</u>	<u>179,728</u>	<u>3,138,051</u>	<u>11,424,218</u>	

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)	\$	6,801,570
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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:		49,449,877
Accumulated depreciation is:		<u>(17,052,954)</u>

Total capital assets		32,396,923
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Property tax receivables are not available to pay for current expenditures and, therefore, are deferred in the funds.

Deferred property tax revenue		1,560,903
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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)		(14,351,456)
Accrued interest		(285,323)
Compensated absences payable:		<u>(221,267)</u>

Total long-term and other liabilities		<u>(14,858,046)</u>
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Net assets of governmental activities (Statement of Net Assets)	\$	<u>25,901,350</u>
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YEAR ENDED JUNE 30, 2010

	Major Funds		
	General Fund	Detention Center	Capital Outlay/ Infrastructure Revenue Bond
REVENUES:			
Intergovernmental:			
Operating grants and contributions	\$ 779,242	730,850	-
Capital grants and contributions	-	-	-
Federal grants	12,690	-	-
Taxes:			
Property	3,752,164	-	-
Sales	436,637	452,692	930,114
Motor vehicle	81,408	-	-
Gas	-	-	-
Cigarette	293	-	-
Lodgers	-	-	-
Licenses and fees	226,083	53,982	-
Interest income	78,176	3,120	1,432
Miscellaneous	31,712	28,030	-
TOTAL REVENUES	5,398,405	1,268,674	931,546
EXPENDITURES:			
Current:			
General government	3,581,334	70,271	-
Public works	-	-	-
Public safety	662,969	2,341,551	-
Health and welfare	-	-	-
Culture and recreation	-	-	-
Conservation	-	-	-
Urban redevelopment	2,133	-	-
Capital outlay	188,314	102,272	-
Debt service:			
Principal payments	18,644	-	460,718
Interest payments	11,698	-	298,279
Bond issuance cost	-	-	-
TOTAL EXPENDITURES	4,465,092	2,514,094	758,997

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

Fire Districts	Public Works Facility	Community Projects	Other Governmental Funds	Total Governmental Funds
1,067,914	-	636,265	639,100	3,853,371
-	11,462	-	818,768	830,230
45,000	-	33,600	1,365,529	1,456,819
-	-	-	-	3,752,164
148,409	-	-	1,701,213	3,669,065
-	-	-	259,567	340,975
-	-	-	151,703	151,703
-	-	-	168	461
-	-	-	30,587	30,587
-	-	-	560,543	840,608
53,994	482	-	12,252	149,456
<u>20,164</u>	<u>-</u>	<u>11,400</u>	<u>25,962</u>	<u>117,268</u>
1,335,481	11,944	681,265	5,565,392	15,192,707
71,591	99,800	-	561,720	4,384,716
-	-	-	1,907,138	1,907,138
255,260	-	-	269,278	3,529,058
-	-	-	1,271,262	1,271,262
-	-	179,936	3,218	183,154
-	-	-	80,789	80,789
-	-	-	9,702	11,835
946,587	1,405,933	765,981	2,679,114	6,088,201
119,319	-	-	288,670	887,351
50,124	-	-	242,753	602,854
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,442,881</u>	<u>1,505,733</u>	<u>945,917</u>	<u>7,313,644</u>	<u>18,946,358</u>

YEAR ENDED JUNE 30, 2010

	<u>General Fund</u>	<u>Detention Center</u>	<u>Major Capital Outlay/ Infrastructure Revenue Bond</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 933,313	(1,245,420)	172,549
OTHER FINANCING SOURCES (USES):			
Transfers in	18,358	1,265,562	236,663
Transfers out	(1,446,027)	(236,535)	(442,473)
Proceeds from issuance of debt	-	-	-
Proceeds from the sale of capital assets	<u>16,430</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,411,239)</u>	<u>1,029,027</u>	<u>(205,810)</u>
NET CHANGES IN FUND BALANCE	(477,926)	(216,393)	(33,261)
FUND BALANCE, BEGINNING	2,884,810	258,553	991,813
RESTATEMENTS	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, AS RESTATED	<u>2,884,810</u>	<u>258,553</u>	<u>991,813</u>
FUND BALANCE, ENDING	\$ <u>2,406,884</u>	<u>42,160</u>	<u>958,552</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

Funds				
Fire Districts	Public Works Facility	Community Projects	Other Governmental Funds	Total Governmental Funds
(107,400)	(1,493,789)	(264,652)	(1,748,252)	(3,753,651)
-	100,000	-	1,549,562	3,170,145
(21,996)	-	-	(1,023,114)	(3,170,145)
-	-	-	62,502	62,502
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,430</u>
<u>(21,996)</u>	<u>100,000</u>	<u>-</u>	<u>588,950</u>	<u>78,932</u>
(129,396)	(1,393,789)	(264,652)	(1,159,302)	(3,674,719)
2,172,885	1,439,189	19,074	2,695,617	10,461,941
<u>-</u>	<u>-</u>	<u>-</u>	<u>14,348</u>	<u>14,348</u>
<u>2,172,885</u>	<u>1,439,189</u>	<u>19,074</u>	<u>2,709,965</u>	<u>10,476,289</u>
<u>2,043,489</u>	<u>45,400</u>	<u>(245,578)</u>	<u>1,550,663</u>	<u>6,801,570</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, 2010

Net Changes in Fund Balances - Total Governmental Funds
(Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ (3,674,719)

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	(36,171)
Increase in accrued interest	(95,599)

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	887,351
Debt proceeds	(62,502)

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

Capital outlay	6,088,201
Depreciation expense	<u>(1,743,213)</u>
Excess of capital outlay over depreciation expense	<u>4,344,988</u>

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

Increase in deferred property tax revenue	<u>238,702</u>
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Change in net assets of governmental activities (Statement of Activities)	<u>\$ 1,602,050</u>
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STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 3,285,107	3,471,873	3,480,609	8,736
Sales	725,000	725,000	661,932	(63,068)
Motor vehicle	70,000	70,000	71,404	1,404
Cigarette	950	550	267	(283)
Intergovernmental	233,980	274,597	258,718	(15,879)
Payment in lieu of taxes	858,572	858,572	604,198	(254,374)
Licenses and fees	178,900	137,725	146,694	8,969
Interest income	50,000	55,000	78,176	23,176
Miscellaneous	30,500	88,395	45,911	(42,484)
TOTAL REVENUES	5,433,009	5,681,712	5,347,909	(333,803)
EXPENDITURES:				
Current:				
General government:				
County manager/County commission	391,121	389,796	371,404	18,392
Information technology	205,879	201,481	183,729	17,752
Finance and administration	291,855	279,835	261,661	18,174
General county	1,031,923	1,161,088	1,032,505	128,583
Human resources	73,403	72,919	67,580	5,339
Zoning	178,207	189,242	178,933	10,309
Legal	64,613	68,340	68,340	-
County clerk/probate/elections bureau	403,624	405,621	378,416	27,205
Assessor/reappraisal	540,473	521,494	512,465	9,029
Treasurer	272,306	272,894	270,243	2,651
Maintenance	221,596	253,287	245,328	7,959
Capital outlay	173,835	403,823	189,261	214,562
Total general government	3,848,835	4,219,820	3,759,865	459,955
Public safety:				
Sheriff	675,832	666,556	617,612	48,944
Capital outlay	1,000	1,226	672	554
Total public safety	676,832	667,782	618,284	49,498
Culture and recreation	-	-	-	-
Debt service:				
Principal payments	18,644	18,644	18,644	-
Interest payments	11,699	11,699	11,699	-
Total Debt Service	30,343	30,343	30,343	-
TOTAL EXPENDITURES	4,556,010	4,917,945	4,408,492	509,453
OTHER FINANCING SOURCES (USES):				
Operating transfers in	8,358	68,358	38,358	(30,000)
Operating transfers out	(1,109,463)	(1,496,560)	(1,496,027)	533
TOTAL OTHER FINANCING SOURCES (USES)	(1,101,105)	(1,428,202)	(1,457,669)	(29,467)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES (USES)	\$ (224,106)	(664,435)	(518,252)	146,183
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 224,106	664,435		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	DETENTION CENTER			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 350,486	343,486	269,758	(73,728)
Taxes - sales	450,000	468,195	452,814	(15,381)
Licenses and fees	-	-	-	-
Interest income	4,000	2,600	3,120	520
Miscellaneous	<u>451,100</u>	<u>541,916</u>	<u>569,588</u>	<u>27,672</u>
TOTAL REVENUES	1,255,586	1,356,197	1,295,280	(60,917)
EXPENDITURES - current:				
Public safety:				
Operating expenses	2,538,123	2,540,055	2,390,319	149,736
Capital outlay	<u>78,572</u>	<u>101,677</u>	<u>102,272</u>	<u>(595)</u>
TOTAL EXPENDITURES	2,616,695	2,641,732	2,492,591	149,141
OTHER FINANCING SOURCES				
Operating transfers in	1,691,333	1,265,562	1,265,562	-
Operating transfers out	<u>(218,340)</u>	<u>(218,340)</u>	<u>(236,535)</u>	<u>(18,195)</u>
TOTAL OTHER FINANCING SOURCES	<u>1,472,993</u>	<u>1,047,222</u>	<u>1,029,027</u>	<u>(18,195)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES	\$ <u>111,884</u>	<u>(238,313)</u>	<u>(168,284)</u>	<u>70,029</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>(111,884)</u>	<u>238,313</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	FIRE DISTRICTS			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
REVENUES (40600 - 42000):				
Taxes	\$ 152,600	140,000	133,882	(6,118)
Intergovernmental	727,703	959,490	944,490	(15,000)
Loan proceeds	167,000	167,000	-	(167,000)
Interest income	35,000	35,013	59,766	24,753
Miscellaneous	4,000	4,000	3,638	(362)
TOTAL REVENUES	1,086,303	1,305,503	1,141,776	(163,727)
EXPENDITURES - current:				
Fire Marshall (40300)				
Public Safety				
Operating	76,939	110,435	62,948	47,487
Capital outlay	111,539	150,239	58,518	91,721
	188,478	260,674	121,466	139,208
VFD Project (40600)				
Public Safety				
Operating	-	-	-	-
Capital outlay	23,750	42,793	-	42,793
	23,750	42,793	-	42,793
Sapello/Rociada VFD (40700)				
Public Safety				
Operating	31,100	32,126	17,716	14,410
Capital outlay	265,874	639,758	392,514	247,244
Principal and Interest	5,472	5,472	5,472	-
	302,446	677,356	415,702	261,654
Gallinas VFD (40800)				
Public Safety				
Operating	33,065	60,713	29,596	31,117
Capital outlay	35,509	43,820	45,549	(1,729)
Principal and Interest	26,936	26,936	26,936	-
	95,510	131,469	102,081	29,388
Conchas VFD (40900)				
Public Safety				
Operating	38,000	38,000	29,869	8,131
Capital outlay	69,365	198,908	2,870	196,038
Principal and Interest	40,464	40,464	40,464	-
	147,829	277,372	73,203	204,169

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	FIRE DISTRICTS - continued			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
EXPENDITURES - current - continued:				
El Pueblo VFD (41000)				
Public Safety				
Operating	\$ 45,735	48,968	32,920	16,048
Capital outlay	102,816	144,014	18,417	125,597
Principal and Interest	-	-	-	-
	<u>148,551</u>	<u>192,982</u>	<u>51,337</u>	<u>141,645</u>
Ilfeld VFD (41100)				
Public Safety				
Operating	37,465	41,922	29,386	12,536
Capital outlay	71,928	105,215	4,179	101,036
Principal and Interest	-	-	-	-
	<u>109,393</u>	<u>147,137</u>	<u>33,565</u>	<u>113,572</u>
Cabo Lucero VFD (41200)				
Public Safety				
Operating	24,750	37,931	34,590	3,341
Capital outlay	331,633	349,584	170,205	179,379
Principal and Interest	-	-	-	-
	<u>356,383</u>	<u>387,515</u>	<u>204,795</u>	<u>182,720</u>
Sheridan VFD (41300)				
Public Safety				
Operating	29,873	33,582	27,490	6,092
Capital outlay	101,708	187,741	187,578	163
Principal and Interest	-	-	-	-
	<u>131,581</u>	<u>221,323</u>	<u>215,068</u>	<u>6,255</u>
Trementina VFD (41400)				
Public Safety				
Operating	32,575	33,280	23,304	9,976
Capital outlay	64,551	151,497	14,560	136,937
Principal and Interest	-	-	-	-
	<u>97,126</u>	<u>184,777</u>	<u>37,864</u>	<u>146,913</u>
Emergency Fund VFD (41500)				
Public Safety				
Operating	24,000	38,793	10,289	28,504
Capital outlay	<u>93,793</u>	<u>77,200</u>	<u>29,427</u>	<u>47,773</u>
	117,793	115,993	39,716	76,277
Bernal/Tecolote VFD (41600)				
Public Safety				
Operating	33,419	47,635	44,271	3,364
Capital outlay	59,534	88,745	8,406	80,339
Principal and Interest	-	-	-	-
	<u>92,953</u>	<u>136,380</u>	<u>52,677</u>	<u>83,703</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	FIRE DISTRICTS - continued			
	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts Budgetary Basis	Final Budget Positive (Negative)
EXPENDITURES - current - continued:				
Pecos Canyon VFD (41700)				
Public Safety				
Operating	\$ 18,350	23,274	12,900	10,374
Capital outlay	47,756	77,534	-	77,534
Principal and Interest	<u>19,678</u>	<u>19,678</u>	<u>19,613</u>	<u>65</u>
	85,784	120,486	32,513	87,973
Tecolotito VFD (41800)				
Public Safety				
Operating	-	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-
La Placitas VFD (41900)				
Public Safety				
Operating	23,350	26,540	15,351	11,189
Capital outlay	132,357	175,167	37,224	137,943
Principal and Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	155,707	201,707	52,575	149,132
Rowe VFD (42000)				
Public Safety				
Operating	32,674	40,248	30,964	9,284
Capital outlay	103,620	249,805	19,000	230,805
Principal and Interest	<u>12,174</u>	<u>12,174</u>	<u>12,174</u>	<u>-</u>
	148,468	302,227	62,138	240,089
TOTAL EXPENDITURES	2,201,752	3,400,191	1,494,700	1,905,491
OTHER FINANCING SOURCES:				
Proceeds from issuance of debt				-
Operating transfers in	60,000	60,000	24,000	(36,000)
Operating transfers out	<u>(82,358)</u>	<u>(82,358)</u>	<u>(72,358)</u>	<u>(10,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	(22,358)	(22,358)	(48,358)	26,000
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES				
AND OTHER FINANCING SOURCES (USES)	\$ (1,137,807)	(2,117,046)	(401,282)	1,715,764
PRIOR YEAR CASH BALANCE				
REQUIRED TO BALANCE BUDGET	\$ 1,137,807	2,117,046		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	COMMUNITY PROJECTS			
	Budgeted Amounts		Actual	Variance From
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 1,454,986	1,454,986	905,230	(549,756)
Intergovernmental	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	1,454,986	1,454,986	905,230	(549,756)
EXPENDITURES - current:				
Public works:				
Operating	48,600	118,701	83,920	34,781
Capital outlay	951,400	881,299	788,198	93,101
TOTAL EXPENDITURES	1,000,000	1,000,000	872,118	127,882
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES (USES)	\$ 454,986	454,986	33,112	(421,874)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Net Assets - Proprietary Funds

AS OF JUNE 30, 2010

	Business-Type Activities
ASSETS:	
Non-current:	
Land	\$ 492,993
Buildings	823,610
Less accumulated depreciation	(660,998)
Total non-current	655,605
TOTAL ASSETS	\$ 655,605
LIABILITIES:	
Current:	\$ -
Non-current:	-
TOTAL LIABILITIES	-
NET ASSETS:	
Invested in capital assets	655,605
TOTAL NET ASSETS	655,605
TOTAL LIABILITIES AND NET ASSETS	\$ 655,605

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	<u>Business-Type Activities</u>
OPERATING REVENUES:	
Operating revenues	\$ _____ -
TOTAL OPERATING REVENUES	-
OPERATING EXPENSES:	
Operating expenses	<u>20,062</u>
TOTAL OPERATING EXPENSES	<u>20,062</u>
CHANGES IN NET ASSETS	(20,062)
NET ASSETS, BEGINNING	<u>675,667</u>
NET ASSETS, ENDING	\$ <u><u>655,605</u></u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Cash Flows - Proprietary Funds

YEAR ENDED JUNE 30, 2010

		Business-Type Activities
CASH FLOWS FROM OPERATING ACTIVITIES:	\$	-
NET INCREASE (DECREASE) IN CASH		-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$	-
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating loss	\$	(20,062)
ADJUSTMENT TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation		20,062
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$	-

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Statement of Fiduciary Assets and Liabilities - Agency Funds

AS OF JUNE 30, 2010

	<u>Agency Funds</u>
ASSETS:	
Cash and cash equivalents	\$ 63,266
Taxes receivable	<u>3,256,320</u>
TOTAL ASSETS	\$ <u>3,319,586</u>
LIABILITIES:	
Due to other agencies	\$ 4,575
Due to other funds	35,767
Uncollected taxes	2,827,129
Undistributed taxes	402,504
Deposits held in trust for others	<u>49,611</u>
TOTAL LIABILITIES	\$ <u>3,319,586</u>

NATURE OF ORGANIZATION

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• **Financial Reporting Entity**

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

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

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

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

The County is the trustee for the El Valle Foundation.

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

There were no component units for the County during fiscal year ended June 30, 2010, 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.

Financial Accounting Standards Board (FASB) Codification Standards 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 FASB Codification Standards.

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), Capital Outlay/Infrastructure Revenue Bond (a Debt Service Fund), Fire Districts Fund (a Special Revenue Fund), Public Works Facility Fund (a Capital Projects Fund) and the Community Projects Fund (a Special Revenue Fund).

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

• Basis of Presentation - Fund Accounting - continued

Proprietary Funds:

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and/or delivering goods in connection with the proprietary fund's principal ongoing operations. The County's only proprietary fund (Ribera Housing) had no operating revenue or non-operating revenue for the year ending June 30, 2010. Ribera Housing was dormant and up for sale during the year ended June 30, 2010.

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. Non-exchange 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, 2010 was \$601,851.

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 10th of the year in which the tax bill is prepared and April 10th of the following year, with taxes becoming delinquent 30 days thereafter. Collections and remittance of County property taxes are accounted for in the County Treasurer Trust and Agency Funds. Therefore, revenues for budgetary purposes are recorded when taxes are distributed to the General Operating Fund.

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, 2010 are prepared using GAAP.

• **Restricted and Unrestricted Resources**

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

• **Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net assets invested in capital assets, net of related debt excludes unspent debt proceeds. Net assets are

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

• **Net Assets - continued**

reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

• **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, 2010.

• **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, 2010 is \$2,191,144.

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, 2010 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	\$ 1,509
Bank of Las Vegas	El Valle Foundation	Checking	6,579
Bank of Las Vegas	Employee Fund	Checking	1,872
Bank of Las Vegas	Federal Housing Authority	Checking	295,487
Bank of Las Vegas	Fire District Funds	Checking	1,048,688
Bank of Las Vegas	General Account	Checking	2,162,118
Bank of Las Vegas	Gross Receipts Taxes	Checking	305,746
Bank of Las Vegas	Indigent Fund	Checking	67,992
Bank of Las Vegas	Lodgers Tax	Checking	33,632
Bank of Las Vegas	Payroll Account	Checking	8,399
Bank of Las Vegas	Construction Project	Checking	214,133
Bank of Las Vegas	SMC Detention Center	Checking	(78,713)
Bank of Las Vegas	SMC Inmate Trust Fund	Checking	21,542
Bank of Las Vegas	El Valle	Certificate of Deposit	19,519
Bank of Las Vegas	General Fund	Certificate of Deposit	370,850
Bank of Las Vegas	Fire District Funds	Certificate of Deposit	1,065,015
Total deposits and cash on hand			<u>5,544,368</u>
Total deposits at the Bank of Las Vegas			5,544,368
Less FDIC coverage			<u>250,000</u>
Total uninsured public funds			5,294,368
50% collateral requirement (Section 6-10017)			2,647,184
Pledged 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	3136FHY66	8/3/2012	300,564
FHLB Bond	3133XVNT4	12/14/2012	508,595
FHLB Bond	3136FJ7M7	12/14/2012	501,565
FFCB Bond	31331GKY4	1/17/2012	<u>2,042,500</u>
Total collateral			<u>3,353,224</u>
Over (under) collateralized			\$ <u>706,039</u>
Custodial Credit Risk Amount:			
Total public funds			\$ 5,544,368
Total collateral			<u>3,353,224</u>
Cash not collateralized			\$ <u>2,191,144</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

2. CASH AND CASH EQUIVALENTS - continued

<u>Depository - Cash</u>	<u>Account Name</u>	<u>Type of Account</u>	<u>Bank Balances</u>
First Community Bank	SMC Treasurer	Checking	\$ 297,560
Total deposits at First Community Bank			<u>297,560</u>
Total deposits at First Community Bank			297,560
Less FDIC coverage			<u>250,000</u>
Total uninsured public funds			47,560
50% collateral requirement (Section 6-10-17)			23,780

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

	<u>CUSIP #</u>	<u>Mature Date</u>		<u>Bank Balances</u>
FHLMC Pool	31295MYW4	11/1/2031	\$	8,302
FHLMC Pool	31354RAE7	11/1/2023		7,329
FNMA Pool	31365H6M3	2/1/2031		18,113
FHLB Fixed Rate Note	3133XLWM1	9/12/2014		1,129,732
FNMA Pool	31378UGY2	12/1/2027		191,336
FNMA Pool	31374GVZ7	3/1/2023		23,875
GNMA Pool	36225DM76	3/20/2035		362,916
Total collateral				<u>1,741,603</u>
Over (under) collateralized			\$	<u>1,717,823</u>

Custodial Credit Risk Amount:

Total uninsured public funds	\$	297,560
Total collateral		<u>1,741,603</u>
Cash not collateralized	\$	<u>-</u>

<u>Depository - Cash</u>	<u>Account Name</u>	<u>Type of Account</u>	<u>Bank Balances</u>
Bank of New York Mellon	NMFA Sub Lien 2005F DS Reserve	Money Market	176,698
Bank of New York Mellon	NMFA 69th 2008A DS Reserve	Money Market	116,531
Bank of New York Mellon	NMFA 69th 2008A SM Program	Money Market	177
Bank of New York Mellon	NMFA 58th Supp (2004A)Program	Money Market	107,859
Bank of New York Mellon	NMFA 69th 2008A SM Reserve	Money Market	241,235
Bank of New York Mellon	NMFA 58th Supp (2004A)	Money Market	158,626
Total Deposits and cash on hand			\$ <u>801,126</u>

*Bank of New York Mellon pledges internal cash reserves for 100% of the deposit amounts.

Bank to Financial Statement Cash Reconciliation:

Total cash in bank	\$	6,643,054
Add:		
Cash on hand		420
Deposits in transit		41,658
Less:		
Outstanding warrants		(523,873)
Outstanding checks		(589,688)
Total reconciled cash		<u>5,571,571</u>
Less cash in fiduciary funds		<u>(63,266)</u>
Financial Statement reconciled cash balance	\$	<u>5,508,305</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

3. RECEIVABLES

Receivables as of June 30, 2010 consisted of the following. All receivables are net of allowance for doubtful accounts.

	Property Taxes	Federal	Other	Total
Governmental funds:				
General Fund, net of allowance of \$85,089	\$ 1,651,415	2,290	68,348	1,722,053
Detention Fund	-	-	75,312	75,312
Capital Outlay/Infrastructure Revenue Bond	-	-	70,507	70,507
Fire Districts	-	-	10,203	10,203
Community Projects	-	45,000	134,728	179,728
Other governmental funds	<u>20,491</u>	<u>281,008</u>	<u>517,211</u>	<u>818,710</u>
Total governmental activity funds	\$ <u>1,671,906</u>	<u>328,298</u>	<u>876,309</u>	<u>2,876,513</u>

The Solid Waste Fund is part of other governmental funds. Receivables are net of an allowance of \$1,784,695.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

4. CAPITAL ASSETS

A summary of changes in capital assets follows:

<u>Governmental Activities</u>	<u>Balance June 30, 2009</u>	<u>Additions</u>	<u>Deletions/ Reclassifications</u>	<u>Balance June 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 1,479,393	-	-	1,479,393
Construction in Progress	<u>1,632,291</u>	<u>3,561,196</u>	<u>(4,601,220)</u>	<u>592,267</u>
Total capital assets not depreciated	3,111,684	3,561,196	(4,601,220)	2,071,660
Capital assets being depreciated:				
Buildings and improvements	22,708,025	732,745	4,601,220	28,041,990
Infrastructure	8,199,286	753,450	-	8,952,736
Vehicles	7,117,481	852,873	(242,750)	7,727,604
Furniture, fixtures and equipment	1,234,735	169,021	(274,936)	1,128,820
Heavy equipment	<u>1,517,893</u>	<u>18,916</u>	<u>(9,742)</u>	<u>1,527,067</u>
Total capital assets being depreciated	<u>40,777,420</u>	<u>2,527,005</u>	<u>4,073,792</u>	<u>47,378,217</u>
Total capital assets	<u>43,889,104</u>	<u>6,088,201</u>	<u>(527,428)</u>	<u>49,449,877</u>
Less accumulated depreciation for:				
Buildings and improvements	(8,340,051)	(799,046)	-	(9,139,097)
Infrastructure	(462,421)	(163,986)	-	(626,407)
Vehicles	(5,472,672)	(488,732)	242,750	(5,718,654)
Furniture, fixtures and equipment	(850,063)	(134,368)	274,936	(709,495)
Heavy equipment	<u>(711,962)</u>	<u>(157,081)</u>	<u>9,742</u>	<u>(859,301)</u>
Total accumulated depreciation	<u>(15,837,169)</u>	<u>(1,743,213)</u>	<u>527,428</u>	<u>(17,052,954)</u>
Governmental activities capital assets, net	\$ <u>28,051,935</u>	<u>4,344,988</u>	<u>-</u>	<u>32,396,923</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, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</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>(640,936)</u>	<u>(20,062)</u>	<u>-</u>	<u>(660,998)</u>
Total capital assets being depreciated, net	<u>182,674</u>	<u>(20,062)</u>	<u>-</u>	<u>162,612</u>
Business-type activities capital assets, net	\$ <u><u>675,667</u></u>	<u><u>(20,062)</u></u>	<u><u>-</u></u>	<u><u>655,605</u></u>

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

Governmental activities:	
General government	\$ 209,184
Public safety	1,394,571
Public works	17,432
Health and welfare	87,161
Culture and recreation	<u>34,865</u>
	1,743,213
Business-type activities:	
Ribera housing	<u>20,062</u>
Total depreciation expense	\$ <u><u>1,763,275</u></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, 2010 are as follows:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Increase</u>	<u>(Decrease)</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amounts</u> <u>Due</u> <u>Within</u> <u>One Year</u>
Notes payable	\$ 2,334,334	62,502	(336,765)	2,060,071	292,595
Bonds payable	12,841,971	-	(550,586)	12,291,385	567,388
Compensated absences	<u>185,096</u>	<u>224,149</u>	<u>(187,978)</u>	<u>221,267</u>	<u>221,267</u>
Total long-term debt	<u>\$ 15,361,401</u>	<u>286,651</u>	<u>(1,075,329)</u>	<u>14,572,723</u>	<u>1,081,250</u>

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

• **Notes Payable**

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, 2010 is \$15,131.

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, 2010 is \$80,488.

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, 2010 is \$206,150.

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, 2010 is \$124,360.

On November 1, 2004, the County entered into an agreement with New Mexico Finance Authority with an original balance of \$225,000. This agreement is for a period of 20 years, with annual payments of \$10,059. The balance at June 30, 2010 is \$171,652.

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, 2010 is \$40,706.

5. LONG-TERM DEBT - continued

• Notes Payable - continued

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, 2010 is \$989,712.

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, 2010 is \$215,361.

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, 2010 is \$154,009.

On December 11, 2009, the County entered into a note payable with New Mexico Environment Department with an original balance of \$95,000. This agreement is for a period of 20 years, with annual payments of \$5,810. The balance at June 30, 2010 is \$62,502.

• 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.

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.

5. LONG-TERM DEBT - continued

• Bonds - continued

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-FI, 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.

Fire Protection Improvement Revenue Bonds – The Series 2008 Bonds are being issued for the purpose of acquiring, constructing, equipping and improving fire protection equipment and facilities for the Cabo Lucero Volunteer Fire Department located in the County.

The Series 2009 Bonds were issued April 15, 2009, pursuant to County Ordinance No. 2008-16-F1 dated December 16, 2008 and County Resolution No. SMC-Fre-11-11-2008-NMSA on November 13, 2008.

The general revenue bonds outstanding as of June 30, 2010, are comprised of the following issues:

<u>Issue</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Final Maturity</u>
Series 1998A	\$ 138,200	4.75%	June 23, 2018
Series 1998B	203,600	4.75%	June 23, 2018
I-Series 2003	-	3.98%	May 1, 2018
I-Series 2003	1,570,263	4.30%	July 1, 2025
Series 2007	5,790,000	4.00% - 4.25%	July 1, 2027
Series 2008	1,351,766	3.40% - 4.64%	May 1, 2023
Series 2008	3,075,556	3.15% - 4.63%	May 1, 2029
Series 2009	<u>162,000</u>	4.50%	April 15, 2029
Total	\$ <u>12,291,385</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

5. LONG-TERM DEBT - continued

• Bonds - continued

The following is a schedule of the future minimum payments under lease purchase agreements and bonds, together with the present value of the net minimum lease payments at June 30, 2009:

Year Ended June 30,	Notes	Bonds	Subtotal	Interest	Total
2011	\$ 292,595	567,388	859,983	572,443	1,432,426
2012	301,274	597,825	899,099	541,424	1,440,523
2013	309,965	610,968	920,933	508,969	1,429,902
2014	286,719	638,738	925,457	474,825	1,400,282
2015	305,160	688,385	993,545	439,753	1,433,298
2016 - 2020	399,217	4,487,384	4,886,601	1,650,774	6,537,375
2021 - 2025	147,787	3,443,504	3,591,291	786,372	4,377,663
2026 - 2030	<u>17,354</u>	<u>1,257,193</u>	<u>1,274,547</u>	<u>83,761</u>	<u>1,358,308</u>
Total	\$ <u>2,060,071</u>	<u>12,291,385</u>	<u>14,351,456</u>	<u>5,058,321</u>	<u>19,409,777</u>

• Operating Leases

During the year ended June 30, 2010, the County leased equipment under operating leases. The County's expenditures on those leases for the year ended June 30, 2009 was \$211,317. The County's future minimum lease commitments at June 30, 2010 are as follows:

Year Ended June 30,	Operating Leases
2011	\$ 357,473
2012	167,198
2013	108,523
2014	40,082
2015	9,794
2016 - 2020	3,600
2021 - 2025	3,600
2026 - 2030	<u>1,380</u>
Total	\$ <u>691,650</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, 2010 consist of the following:

- **Due From Other Funds**

Fund Type	Amount
General Fund	\$ 1,381,509
Detention Center Fund	213,024
Capital Outlay/Infrastrucuture	
Revenue Bond	68,258
Fire District Fund	222,624
Non-major Funds	<u>174,904</u>
 Total All Funds	 \$ <u>2,060,319</u>

- **Due To Other Funds**

Fund Type	Amount
General Fund	\$ 367,470
Detention Center Fund	34,572
Capital Outlay/Infrastructure	
Revenue Bond	193,167
Community Projects	421,874
Non-major funds	<u>1,007,469</u>
 Total Governmental Funds	 2,024,552
 Agency Fund	 <u>35,767</u>
 Total All Funds	 \$ <u>2,060,319</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 be paid during fiscal year 2011.

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, 2010 consist of the following:

	Transfers In	Transfers Out					Total
		General Fund	Detention Fund	Capital Outlay / Infrastructure Revenue Bond	Fire Districts	Non-major Funds	
General Fund	\$ 18,358	-	-	-	(18,358)	-	-
Detention Center	1,265,562	(760,095)	-	-	-	(505,467)	-
Capital Outlay/Infrastructure Revenue Bond	236,663	-	(236,535)	-	-	(128)	-
Public Works Facility Fund	100,000	(100,000)	-	-	-	-	-
Non-major Funds	1,549,562	(585,932)	-	(442,473)	(3,638)	(517,519)	-
Major/non-major funds total	\$ 3,170,145	(1,446,027)	(236,535)	(442,473)	(21,996)	(1,023,114)	-

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.

	General Fund	Detention Center	Capital Outlay/ Infrastructure Revenue Bond	Fire Districts	Public Works Facility	Community Projects
Revenues:						
Non-GAAP budgetary basis	\$ 5,347,909	1,295,280	933,154	1,141,776	11,944	905,230
Change in accounts and interest receivable	46,659	(26,672)	(1,608)	(170,642)	-	(339,331)
Audit adjustments - accruals	<u>3,837</u>	<u>66</u>	<u>-</u>	<u>364,347</u>	<u>-</u>	<u>115,366</u>
Revenues - GAAP basis	\$ <u>5,398,405</u>	<u>1,268,674</u>	<u>931,546</u>	<u>1,335,481</u>	<u>11,944</u>	<u>681,265</u>
Expenditures:						
Non-GAAP budgetary basis	\$ 4,439,507	2,492,591	758,998	1,494,700	1,484,606	872,118
Accounts payable	14,465	43,999	-	43,028	21,127	421,874
Audit adjustments - accruals	<u>11,120</u>	<u>(22,496)</u>	<u>(1)</u>	<u>(94,847)</u>	<u>-</u>	<u>(348,075)</u>
Expenditures - GAAP basis	\$ <u>4,465,092</u>	<u>2,514,094</u>	<u>758,997</u>	<u>1,442,881</u>	<u>1,505,733</u>	<u>945,917</u>

SPECIAL REVENUE FUNDS

<u>Road</u>	<u>Solid Waste</u>	<u>SMC Health Facility</u>	<u>Forest Reserve Title III</u>	<u>Farm and Range</u>	<u>DWI Allocation</u>	<u>DWI Grant</u>
687,908	531,473	-	44,136	3,028	182,876	17,371
743	(57,967)	-	14,766	-	47	35,892
<u>(1,363)</u>	<u>62,869</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>(10,668)</u>	<u>-</u>
<u>687,288</u>	<u>536,375</u>	<u>-</u>	<u>58,912</u>	<u>3,028</u>	<u>172,255</u>	<u>53,263</u>
993,690	745,477	-	17,991	1,716	178,445	45,105
(16,699)	6,610	-	1,491	-	12,589	402
<u>(4,741)</u>	<u>4,119</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(10,489)</u>	<u>-</u>
<u>972,250</u>	<u>756,206</u>	<u>-</u>	<u>19,481</u>	<u>1,716</u>	<u>180,545</u>	<u>45,507</u>

8. BUDGETARY COMPARISONS - continued

	SPECIAL					
	<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>
Revenues:						
Non-GAAP budgetary basis	\$ 2,492	12,996	11,989	-	5,284	7,000
Change in accounts and interest receivable	-	(5,525)	5,715	-	(1,134)	-
Audit adjustments - accruals	-	-	(298)	-	-	-
Revenues - GAAP basis	\$ <u>2,492</u>	<u>7,471</u>	<u>17,406</u>	<u>-</u>	<u>4,150</u>	<u>7,000</u>
Expenditures:						
Non-GAAP budgetary basis	\$ 2,515	15,521	15,261	-	3,190	48,202
Accounts payable	-	796	(1,062)	-	136	9,404
Audit adjustments - accruals	-	-	(338)	-	(272)	-
Expenditures - GAAP basis	\$ <u>2,515</u>	<u>16,317</u>	<u>13,861</u>	<u>-</u>	<u>3,054</u>	<u>57,606</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

REVENUE FUNDS - continued

<u>Recording Equipment</u>	<u>Recreation</u>	<u>Legislative Appropriations</u>	<u>Beautification</u>	<u>Lodger's Tax</u>	<u>Indigent</u>	<u>Reappraisal</u>
17,357	155	-	-	28,070	657,203	72,243
-	13	-	-	3,074	(672)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
<u>17,357</u>	<u>168</u>	<u>-</u>	<u>-</u>	<u>31,145</u>	<u>656,531</u>	<u>72,243</u>
29,746	-	-	-	19,923	634,001	44,788
(4,409)	-	-	-	1,000	(46,460)	(15,075)
<u>(1)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>1,464</u>
<u>25,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,924</u>	<u>587,542</u>	<u>31,177</u>

8. BUDGETARY COMPARISONS - continued

	SPECIAL					
	San Jose Community Center	Emergency Medical Services	Bureau of Justice	Law Enforcement	CDBG	Courthouse Renovation
Revenues:						
Non-GAAP budgetary basis	\$ -	56,645	-	24,200	-	-
Change in accounts and interest receivable	-	-	-	-	-	-
Audit adjustments - accruals	<u>23</u>	<u>(56,645)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues - GAAP basis	\$ <u>23</u>	<u>-</u>	<u>-</u>	<u>24,200</u>	<u>-</u>	<u>-</u>
Expenditures:						
Non-GAAP budgetary basis	\$ -	21,594	-	18,122	-	-
Accounts payable	-	-	-	-	-	-
Audit adjustments - accruals	<u>-</u>	<u>53,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures - GAAP basis	\$ <u>-</u>	<u>75,541</u>	<u>-</u>	<u>18,122</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

REVENUE FUNDS - continued

<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>	<u>Road Projects Special Approp.</u>	<u>ARRA Justice Assistance</u>
-	774,167	25,450	85,729	334,306	1,019,410	41,757
-	2,163	-	(32,128)	(47,320)	(781,844)	-
-	<u>(15,054)</u>	<u>-</u>	<u>37,180</u>	<u>(961)</u>	<u>38,370</u>	<u>(1,956)</u>
-	<u>761,276</u>	<u>25,450</u>	<u>90,781</u>	<u>286,025</u>	<u>275,936</u>	<u>39,801</u>
-	756,597	22,862	90,781	332,579	656,620	39,800
-	1,715	-	-	(210)	(29,821)	-
-	<u>675</u>	<u>-</u>	<u>-</u>	<u>(962)</u>	<u>51,098</u>	<u>-</u>
-	<u>758,987</u>	<u>22,862</u>	<u>90,781</u>	<u>331,407</u>	<u>677,897</u>	<u>39,800</u>

8. BUDGETARY COMPARISONS - continued

CAPITAL PROJECTS FUNDS - continued

	Road and Health Projects	Detention Center Capital Outlay	Courthouse Remodeling	Crusher Facility & Equipment	ARRA Waste Water Loan	ARRA Waste Water
Revenues:						
Non-GAAP budgetary basis	\$ -	22,806	459,338	-	41,655	-
Change in accounts and interest receivable	-	-	66,235	-	-	91,301
Audit adjustments - accruals	-	-	-	11	(41,655)	-
Revenues - GAAP basis	\$ -	<u>22,806</u>	<u>525,573</u>	<u>11</u>	<u>-</u>	<u>91,301</u>
Expenditures:						
Non-GAAP budgetary basis	\$ -	-	1,670,347	216,251	62,502	91,301
Accounts payable	-	-	(171,138)	15,678	-	28,529
Audit adjustments - accruals	-	-	(1)	-	-	-
Expenditures - GAAP basis	\$ -	<u>-</u>	<u>1,499,208</u>	<u>231,929</u>	<u>62,502</u>	<u>119,830</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Notes to Financial Statements - continued

DEBT SERVICE FUNDS

ARRA Cinder Road	ARRA Clean Diesel	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
-		972,483	-	-	-	-	15,774,820
-	-	(448)	-	-	-	-	(1,198,683)
-	<u>119,319</u>	<u>2,998</u>	-	-	-	-	<u>615,797</u>
-	<u>119,319</u>	<u>975,033</u>	-	-	-	-	<u>15,191,934</u>
-	118,932	60,478	-	-	-	470,947	18,967,804
-	-	-	-	-	-	-	337,969
-	<u>386</u>	<u>(1)</u>	-	-	-	<u>(1)</u>	<u>(359,415)</u>
-	<u>119,318</u>	<u>60,477</u>	-	-	-	<u>470,946</u>	<u>18,946,358</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 \$200,000 per occurrence and liability losses are subject to a limit of \$400,000 per occurrence. Law enforcement liability is subject to a limit of \$750,000 per occurrence and \$10,000,000 in the aggregate. Public officials' errors and omissions, and foreign jurisdiction liabilities are subject to a limit of \$5,000,000 per occurrence and \$6,000,000 in the aggregate.

10. DEFICIT FUND EQUITY

The following funds have a deficit balance for the year ended June 30, 2010:

Special Revenue Funds:		Capital Projects Funds:	
SMC Health Facility	\$ 687	ARRA Waste Water	\$ 28,529
DWI Allocation	\$ 11,554	Road Projects Special	
DWI Grant	\$ 2,528	Appropriation	\$ 270,439
Underage Drinking	\$ 5,231		
Child Restraint	\$ 2,385		
Community DWI	\$ 17,778		
Community Projects	\$ 245,578		
Legislative App.	\$ 10,175		
Office of Emergency			
Management	\$ 7,845		

The County expects that the fiscal year 2011 operating revenues will be sufficient to cover the deficit.

11. RESERVED FUND BALANCES

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

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

12. RETIREMENT PLAN

• **PERA Plan Description**

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

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

• **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 County are established in State statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County's contributions to PERA for the years ended June 30, 2010, 2009 and 2008 were \$359,293, \$359,685 and \$333,375, respectively, equal to the amount of the required contributions for each fiscal 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.

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

• **Plan Description - continued**

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.

• **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.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2010, the statute required each participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee was required to contribute .65% of their salary. In the fiscal years ending June 30, 2011 through June 30, 2013, the contribution rates for employees and employers will rise as follows:

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

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	1.666%	.833%
FY12	1.834%	.917%
FY13	2.000%	1.000%

For employees who are members of an enhanced retirement plan (state police and adult correctional officer coverage plan 1; municipal police member coverage plans 3, 4 and 5; municipal fire member coverage plan 3,4 and 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act [10-12B-1 NMSA 1978]), the contribution rates will be:

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

• **Funding Policy - continued**

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY11	2.084%	1.042%
FY12	2.292%	1.146%
FY13	2.500%	1.250%

Also, employers joining the program after January 1, 1998 are 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, 2010, 2009 and 2008 were \$50,982, \$45,737 and \$39,748, respectively, which equal the required contributions for each year.

14. LITIGATION

At June 30, 2010, there were several cases pending against the County. The total exposure to the County was not determined. No provision for possible losses has been provided for in the accompanying statements.

15. RESTATEMENTS

The restatements are disclosed in order to display the flow of financial activity that cannot be stated elsewhere.

Fund Balance: Road Projects – Special Appropriation. In a prior year, revenues were not appropriately recognized, causing the fund balance to be understated.

As a result of this restatement, the June 30, 2009 fund balance in the Road Projects – Special Appropriations fund was increased by \$14,348.

Fund balances: Road Projects – Special Appropriation and CDBG 2006. In a prior year, \$25,188 was inappropriately charged to the CDBG 2006 fund, resulting in an understatement of fund balance. These costs should have been charged to the Road Projects fund, therefore resulting in an overstatement of fund balance.

Notes to Financial Statements - continued

15. RESTATEMENTS - continued

	Road Projects Fund	CDBG 2006
Fund balance, beginning of year, as previously stated	\$ 132,362	(25,188)
Restatements:		
	(25,188)	25,188
	<u>14,348</u>	<u>-</u>
Net restatements	<u>(10,840)</u>	<u>25,188</u>
Total	\$ <u>121,522</u>	<u>-</u>

Net assets: Due to these restatements, net assets was understated by \$14,348.

16. NEW PRONOUNCEMENTS

Effective for fiscal years beginning after June 15, 2010, GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will provide modifications to, and additional types of, fund balance classifications. This statement will enhance the usefulness of fund balance information to provide more consistency among the classifications and will establish reporting standards for all governments that report governmental funds. Although early implementation is encouraged, the State of New Mexico has decided to implement this new pronouncement for fiscal year ending June 30, 2011. The impact on the County's financial statements has not yet been determined.

SUPPLEMENTARY INFORMATION

Major Enterprise Fund - Ribera Housing -
Statement of Revenues and Expenditures -
Budget and Actual (Accrual Budgetary GAAP Basis) -

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Service Fees	\$ -	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENSES - current				
Personal services and employee benefits	-	-	-	-
Contractual service	-	-	-	-
Other costs	-	-	-	-
TOTAL EXPENSES BEFORE DEPRECIATION	-	-	-	-
DEPRECIATION NOT BUDGETED	-	-	20,062	
TOTAL EXPENSES	\$ -	-	20,062	
CHANGE IN NET ASSETS			\$ (20,062)	

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

AS OF JUNE 30, 2010

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
ASSETS:				
Cash and cash equivalents	\$ 1,189,985	169,990	259,531	1,619,506
Restricted cash	-	79,509	52	79,561
Property taxes receivable	20,491	-	-	20,491
Accounts receivable	360,384	121,580	35,247	517,211
Federal receivable	70,388	210,620	-	281,008
Prepaid expenses	49,560	-	353,173	402,733
Other assets	-	-	42,637	42,637
Due from other funds	56,731	-	118,173	174,904
TOTAL ASSETS	\$ 1,747,539	581,699	808,813	3,138,051
LIABILITIES AND FUND BALANCES:				
LIABILITIES:				
Accounts payable	\$ 77,844	93,251	-	171,095
Bank overdraft	30,434	-	-	30,434
Accrued payroll	67,721	-	-	67,721
Deferred revenue	248,338	-	-	248,338
Debt Service Reserve	-	-	62,331	62,331
Due to other funds	530,418	327,672	149,379	1,007,469
TOTAL LIABILITIES	954,755	420,923	211,710	1,587,388
FUND BALANCE:				
Reserved for debt service	-	-	597,103	597,103
Unreserved-undesignated	792,784	160,776	-	953,560
TOTAL FUND BALANCES	792,784	160,776	597,103	1,550,663
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,747,539	581,699	808,813	3,138,051

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, 2010

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
REVENUES:				
Intergovernmental:				
Operating grants and contributions	\$ 616,294	22,806	-	639,100
Capital grants and contributions	293,204	525,564	-	818,768
Federal grants	1,154,909	210,620	-	1,365,529
Taxes:				
Property	-	-	-	-
Sales	731,591	-	969,622	1,701,213
Motor vehicle	259,567	-	-	259,567
Gas	151,703	-	-	151,703
Cigarette	168	-	-	168
Lodgers	30,587	-	-	30,587
Licenses and fees	560,543	-	-	560,543
Investment income	6,821	20	5,411	12,252
Miscellaneous	25,962	-	-	25,962
TOTAL REVENUES	3,831,349	759,010	975,033	5,565,392
EXPENDITURES:				
Current:				
General government	540,389	21,331	-	561,720
Public works	1,726,463	180,675	-	1,907,138
Public safety	269,278	-	-	269,278
Health and welfare	1,271,262	-	-	1,271,262
Culture and recreation	3,218	-	-	3,218
Conservation	1,716	79,073	-	80,789
Urban redevelopment	9,702	-	-	9,702
Capital outlay	927,406	1,751,708	-	2,679,114
Debt service:				
Principal payments	-	-	288,670	288,670
Interest payments	-	-	242,753	242,753
Bond issuance cost	-	-	-	-
TOTAL EXPENDITURES	4,749,434	2,032,787	531,423	7,313,644

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, 2010

	Special Revenue Funds	Capital Project Funds	Debt Service Project Funds	Total
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (918,085)	(1,273,777)	443,610	(1,748,252)
OTHER FINANCING SOURCES (USES):				
Transfers in	583,919	493,614	472,029	1,549,562
Transfers out	(46,572)	(128)	(976,414)	(1,023,114)
Proceeds from the issuance of debt	-	62,502	-	62,502
Proceeds from the sale of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>537,347</u>	<u>555,988</u>	<u>(504,385)</u>	<u>588,950</u>
NET CHANGES IN FUND BALANCE	(380,738)	(717,789)	(60,775)	(1,159,302)
FUND BALANCE, BEGINNING	<u>1,159,174</u>	<u>878,565</u>	<u>657,878</u>	<u>2,695,617</u>
RESTATEMENTS	<u>14,348</u>	-	-	<u>14,348</u>
FUND BALANCE, AS RESTATED	<u>1,173,522</u>	<u>878,565</u>	<u>657,878</u>	<u>2,709,965</u>
FUND BALANCE, ENDING	\$ <u><u>792,784</u></u>	<u><u>160,776</u></u>	<u><u>597,103</u></u>	<u><u>1,550,663</u></u>

AS OF JUNE 30, 2010

				SPECIAL		
	Road	Solid Waste	SMC Health Facility	Forest Reserve Title III	Farm and Range	DWI Allocation
ASSETS:						
Cash and investments	\$ 135,153	78,487	-	26,199	13,567	8,294
Restricted cash	-	-	-	-	-	-
Property taxes receivable	-	-	-	14,776	-	-
Accounts receivable	35,719	106,228	-	-	-	47
Federal receivable	-	-	-	-	-	-
Prepaid expenses	2,990	46,570	-	-	-	-
Other asset	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	\$ 173,862	231,285	-	40,975	13,567	8,341
LIABILITIES:						
Accounts payable	\$ 8,601	24,939	-	1,491	-	10,726
Bank overdraft	-	-	-	-	-	-
Accrued payroll	25,383	21,580	-	-	-	9,169
Deferred revenue	-	-	-	-	-	-
Debt service reserve	-	-	-	-	-	-
Due to other funds	-	-	687	-	-	-
TOTAL LIABILITIES	33,984	46,519	687	1,491	-	19,895
FUND BALANCE:						
Reserved for debt service	-	-	-	-	-	-
Unreserved, undesignated	139,878	184,766	(687)	39,484	13,567	(11,554)
TOTAL FUND BALANCE	139,878	184,766	(687)	39,484	13,567	(11,554)
TOTAL LIABILITIES AND FUND BALANCE	\$ 173,862	231,285	-	40,975	13,567	8,341

STATE OF NEW MEXICO
SAN MIGUEL COUNTY
Combining Balance Sheet -
Non-Major Governmental Funds

REVENUE FUNDS

DWI Grant	Underage Drinking	Community DWI Program	DWI Offenders Fee	Education and Enforcement	Child Restraint	WIPP
-	-	-	10,790	60	-	14,308
-	-	-	-	-	-	-
-	-	-	5,715	-	-	-
45,104	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>45,104</u>	<u>-</u>	<u>-</u>	<u>16,505</u>	<u>60</u>	<u>-</u>	<u>14,308</u>
-	-	134	438	-	-	9,404
-	-	-	-	-	-	-
2,036	-	1,223	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>45,596</u>	<u>5,231</u>	<u>16,421</u>	<u>-</u>	<u>-</u>	<u>2,385</u>	<u>-</u>
47,632	5,231	17,778	438	-	2,385	9,404
-	-	-	-	-	-	-
<u>(2,528)</u>	<u>(5,231)</u>	<u>(17,778)</u>	<u>16,067</u>	<u>60</u>	<u>(2,385)</u>	<u>4,904</u>
<u>(2,528)</u>	<u>(5,231)</u>	<u>(17,778)</u>	<u>16,067</u>	<u>60</u>	<u>(2,385)</u>	<u>4,904</u>
<u>45,104</u>	<u>-</u>	<u>-</u>	<u>16,505</u>	<u>60</u>	<u>-</u>	<u>14,308</u>

AS OF JUNE 30, 2010

SPECIAL

	Recording Equipment	Recreation	Legislative Appropriations	Beautification	Lodger's Tax	Indigent
ASSETS:						
Cash and investments	\$ 1,315	642	-	-	33,671	-
Restricted cash	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-
Accounts receivable	-	23	-	-	9,195	52,877
Federal receivable	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Other asset	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	56,731
TOTAL ASSETS	\$ 1,315	665	-	-	42,866	109,608
LIABILITIES:						
Accounts payable	\$ -	-	-	-	1,000	16,017
Bank overdraft	-	-	-	-	-	30,434
Accrued payroll	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Debt service reserve	-	-	-	-	-	-
Due to other funds	-	-	10,175	-	-	-
TOTAL LIABILITIES	-	-	10,175	-	1,000	46,451
FUND BALANCE:						
Reserved for debt service	-	-	-	-	-	-
Unreserved, undesignated	1,315	665	(10,175)	-	41,866	63,157
TOTAL FUND BALANCE	1,315	665	(10,175)	-	41,866	63,157
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,315	665	-	-	42,866	109,608

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
80,148	1,659	38,041	-	10,096	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>80,148</u>	<u>1,659</u>	<u>38,041</u>	<u>-</u>	<u>10,096</u>	<u>-</u>	<u>-</u>
190	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
79,958	1,659	38,041	-	10,096	-	-
<u>79,958</u>	<u>1,659</u>	<u>38,041</u>	<u>-</u>	<u>10,096</u>	<u>-</u>	<u>-</u>
79,958	1,659	38,041	-	10,096	-	-
<u>79,958</u>	<u>1,659</u>	<u>38,041</u>	<u>-</u>	<u>10,096</u>	<u>-</u>	<u>-</u>
80,148	1,659	38,041	-	10,096	-	-
<u>80,148</u>	<u>1,659</u>	<u>38,041</u>	<u>-</u>	<u>10,096</u>	<u>-</u>	<u>-</u>

AS OF JUNE 30, 2010

SPECIAL REVENUE FUNDS - continued

	Ambulance/ Medical Service Fund	Section 8 Housing	Professional Development	CDGB 2006	Office of Emergency Management	Road Projects Special Appropriation
ASSETS:						
Cash and investments	\$ 386,417	283,924	65,257	-	-	-
Restricted cash	-	-	-	-	-	-
Property taxes receivable	-	-	-	-	-	-
Accounts receivable	-	2,163	-	-	52,487	56,541
Federal receivable	-	-	-	5,054	65,334	-
Prepaid expenses	-	-	-	-	-	-
Other asset	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	\$ 386,417	286,087	65,257	5,054	117,821	56,541
LIABILITIES:						
Accounts payable	\$ -	2,209	-	-	245	2,450
Bank overdraft	-	-	-	-	-	-
Accrued payroll	-	3,248	-	-	5,082	-
Deferred revenue	-	246,382	-	-	-	-
Debt service reserve	-	-	-	-	-	-
Due to other funds	-	-	-	5,054	120,339	324,530
TOTAL LIABILITIES	-	251,839	-	5,054	125,666	326,980
FUND BALANCE:						
Reserved for debt service	-	-	-	-	-	-
Unreserved, undesignated	386,417	34,248	65,257	-	(7,845)	(270,439)
TOTAL FUND BALANCE	386,417	34,248	65,257	-	(7,845)	(270,439)
TOTAL LIABILITIES AND FUND BALANCE	\$ 386,417	286,087	65,257	5,054	117,821	56,541

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Combining Balance Sheet -
Non-Major Governmental Funds - continued

CAPITAL PROJECTS FUNDS						
ARRA Justice Assistance	Total Special Revenue	Road and Health Projects	Dentention Center Capital Outlay	Courthouse Remodeling	Crusher Facility and Equipment	ARRA Waste Water Loan
1,957	1,189,985	87,618	25,454	56,918	-	-
-	-	-	-	5	79,504	-
-	20,491	-	-	-	-	-
-	360,384	-	-	66,235	-	55,345
-	70,388	-	-	-	-	-
-	49,560	-	-	-	-	-
-	-	-	-	-	-	-
-	56,731	-	-	-	-	-
<u>1,957</u>	<u>1,747,539</u>	<u>87,618</u>	<u>25,454</u>	<u>123,158</u>	<u>79,504</u>	<u>55,345</u>
-	77,844	-	-	47,761	16,961	-
-	30,434	-	-	-	-	-
-	67,721	-	-	-	-	-
1,956	248,338	-	-	-	-	-
-	-	-	-	-	-	-
-	530,418	-	-	-	61,708	55,345
1,956	954,755	-	-	47,761	78,669	55,345
-	-	-	-	-	-	-
<u>1</u>	<u>792,784</u>	<u>87,618</u>	<u>25,454</u>	<u>75,397</u>	<u>835</u>	<u>-</u>
<u>1</u>	<u>792,784</u>	<u>87,618</u>	<u>25,454</u>	<u>75,397</u>	<u>835</u>	<u>-</u>
<u>1,957</u>	<u>1,747,539</u>	<u>87,618</u>	<u>25,454</u>	<u>123,158</u>	<u>79,504</u>	<u>55,345</u>

AS OF JUNE 30, 2010

	CAPITAL PROJECTS FUNDS - continued				SMC Debt Service	1997 Series B Bond Issue
	ARRA Waste Water	ARRA Cinder Road	ARRA Clean Diesel	Total Capital Projects		
ASSETS:						
Cash and investments	\$ -	-	-	169,990	197,200	-
Restricted cash	-	-	-	79,509	52	-
Property taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	121,580	35,247	-
Federal receivable	91,301	-	119,319	210,620	-	-
Prepaid expenses	-	-	-	-	-	-
Other asset	-	-	-	-	42,637	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	\$ 91,301	-	119,319	581,699	275,136	-
LIABILITIES:						
Accounts payable	\$ 28,529	-	-	93,251	-	-
Bank overdraft	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Debt service reserve	-	-	-	-	-	-
Due to other funds	91,301	-	119,318	327,672	118,173	-
TOTAL LIABILITIES	119,830	-	119,318	420,923	118,173	-
FUND BALANCE:						
Reserved for debt service	-	-	-	-	156,963	-
Unreserved, undesignated	(28,529)	-	1	160,776	-	-
TOTAL FUND BALANCE	(28,529)	-	1	160,776	156,963	-
TOTAL LIABILITIES AND FUND BALANCE	\$ 91,301	-	119,319	581,699	275,136	-

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Combining Balance Sheet -
Non-Major Governmental Funds - continued

DEBT		SERVICE FUNDS			
1998 Series A Bond Issue	1998 Series B Bond Issue	1997A & 2007 Series Bond Issue	Total Debt Service Funds		Total Non-major Governmental Funds
21,053	41,278	-	259,531		1,619,506
-	-	-	52		79,561
-	-	-	-		20,491
-	-	-	35,247		517,211
-	-	-	-		281,008
-	-	353,173	353,173		402,733
-	-	-	42,637		42,637
-	-	118,173	118,173		174,904
<u>21,053</u>	<u>41,278</u>	<u>471,346</u>	<u>808,813</u>		<u>3,138,051</u>
-	-	-	-		171,095
-	-	-	-		30,434
-	-	-	-		67,721
-	-	-	-		248,338
21,053	41,278	-	62,331		62,331
-	-	31,206	149,379		1,007,469
21,053	41,278	31,206	211,710		1,587,388
-	-	440,140	597,103		597,103
-	-	-	-		953,560
-	-	440,140	597,103		1,550,663
<u>21,053</u>	<u>41,278</u>	<u>471,346</u>	<u>808,813</u>		<u>3,138,051</u>

YEAR ENDED JUNE 30, 2010

						SPECIAL	
	Road	Solid Waste	SMC Health Facility	Forest Reserve Title III	Farm and Range	DWI Allocation	DWI Grant
REVENUES:							
Intergovernmental:							
Operating grants and contributions	\$ 276,008	-	-	44,136	3,028	172,255	53,263
Capital grants and contributions	-	-	-	14,776	-	-	-
Federal grants	-	-	-	-	-	-	-
Taxes:							
Property	-	-	-	-	-	-	-
Sales	-	76,621	-	-	-	-	-
Motor vehicle	259,567	-	-	-	-	-	-
Gas	151,703	-	-	-	-	-	-
Cigarette	-	-	-	-	-	-	-
Lodgers	-	-	-	-	-	-	-
Licenses and fees	-	459,754	-	-	-	-	-
Interest income	-	-	-	-	-	-	-
Miscellaneous	10	-	-	-	-	-	-
TOTAL REVENUES	687,288	536,375	-	58,912	3,028	172,255	53,263
EXPENDITURES:							
Current:							
General government	536	1,350	-	16,263	-	-	-
Public works	967,386	749,673	-	-	-	-	-
Public safety	-	-	-	-	-	173,472	41,287
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	3,218	-	-	-
Conservation	-	-	-	-	1,716	-	-
Urban redevelopment	-	-	-	-	-	-	-
Capital outlay	4,328	5,183	-	-	-	7,073	4,220
Debt service:							
Principal payments	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	-
Bond issuance cost	-	-	-	-	-	-	-
TOTAL EXPENDITURES	972,250	756,206	-	19,481	1,716	180,545	45,507
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(284,962)	(219,831)	-	39,431	1,312	(8,290)	7,756
OTHER FINANCING SOURCES (USES):							
Transfers in	344,506	189,203	-	3,638	-	-	-
Transfers out	(10,000)	-	-	(36,572)	-	-	-
Proceeds from the issuance of debt	-	-	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	334,506	189,203	-	(32,934)	-	-	-
NET CHANGES IN FUND BALANCE	49,544	(30,628)	-	6,497	1,312	(8,290)	7,756
FUND BALANCE, BEGINNING	90,334	215,394	(687)	32,987	12,255	(3,264)	(10,284)
RESTATEMENTS	-	-	-	-	-	-	-
FUND BALANCE, AS RESTATED	90,334	215,394	(687)	32,987	12,255	(3,264)	(10,284)
FUND BALANCE, ENDING	\$ 139,878	184,766	(687)	39,484	13,567	(11,554)	(2,528)

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	Legislative Appropriations
-	7,471	5,715	-	4,150	7,000	-	-	-
2,492	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	168	-
-	-	11,189	-	-	-	17,357	-	-
-	-	502	-	-	-	-	-	-
2,492	7,471	17,406	-	4,150	7,000	17,357	168	-
-	-	-	-	-	-	10,476	-	-
2,515	16,317	13,861	-	3,054	9,404	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	48,202	14,860	-	-
-	-	-	-	-	-	-	-	-
2,515	16,317	13,861	-	3,054	57,606	25,336	-	-
(23)	(8,846)	3,545	-	1,096	(50,606)	(7,979)	168	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(23)	(8,846)	3,545	-	1,096	(50,606)	(7,979)	168	-
(5,208)	(8,932)	12,522	60	(3,481)	55,510	9,294	497	(10,175)
-	-	-	-	-	-	-	-	-
(5,208)	(8,932)	12,522	60	(3,481)	55,510	9,294	497	(10,175)
(5,231)	(17,778)	16,067	60	(2,385)	4,904	1,315	665	(10,175)

YEAR ENDED JUNE 30, 2010

	SPECIAL						
	Beautification	Lodger's Tax	Indigent	Reappraisal	San Jose Community Center	Emergency Medical Services	Bureau of Justice
REVENUES:							
Intergovernmental:							
Operating grants and contributions	\$ -	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-
Federal grants	-	-	-	-	-	-	-
Taxes:							
Property	-	-	-	-	-	-	-
Sales	-	-	654,970	-	-	-	-
Motor vehicle	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-
Cigarette	-	-	-	-	-	-	-
Lodgers	-	30,587	-	-	-	-	-
Licenses and fees	-	-	-	72,243	-	-	-
Interest income	-	558	1,561	-	23	-	-
Miscellaneous	-	-	-	-	-	-	-
TOTAL REVENUES	-	31,145	656,531	72,243	23	-	-
EXPENDITURES:							
Current:							
General government	-	20,924	-	30,518	-	56,645	-
Public works	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	18,772	-
Health and welfare	-	-	587,542	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-
Capital outlay	-	-	-	659	-	124	-
Debt service:							
Principal payments	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	-
Bond issuance cost	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	20,924	587,542	31,177	-	75,541	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	10,221	68,989	41,066	23	(75,541)	-
OTHER FINANCING SOURCES (USES):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Proceeds from the issuance of debt	-	-	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGES IN FUND BALANCE	-	10,221	68,989	41,066	23	(75,541)	-
FUND BALANCE, BEGINNING	-	31,645	(5,832)	38,892	1,636	113,582	-
RESTATEMENTS	-	-	-	-	-	-	-
FUND BALANCE, AS RESTATED	-	31,645	(5,832)	38,892	1,636	113,582	-
FUND BALANCE, ENDING	\$ -	41,866	63,157	79,958	1,659	38,041	-

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									
Law Enforcement	CDBG	Courthouse Renovation	Ambulance/ Medical Service Fund	Section 8 Housing	Professional Development	CDBG 2006	Office of Emergency Management	Road Projects Special Appropriation	ARRA Justice Assistance
24,200	-	-	-	-	-	-	19,068	-	-
-	-	-	-	757,370	-	90,781	266,957	275,936	39,801
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	4,679	-	-	-	-	-
-	-	-	-	-	25,450	-	-	-	-
24,200	-	-	-	762,049	25,450	90,781	286,025	275,936	39,801
1,336	-	-	-	67,851	22,862	-	302,275	4,699	4,654
-	-	-	-	-	-	-	-	-	-
-	-	-	-	683,720	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	9,702	-	-	-
16,786	-	-	-	7,416	-	81,079	29,132	673,198	35,146
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
18,122	-	-	-	758,987	22,862	90,781	331,407	677,897	39,800
6,078	-	-	-	3,062	2,588	-	(45,382)	(401,961)	1
-	-	-	-	-	-	-	36,572	10,000	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	36,572	10,000	-
6,078	-	-	-	3,062	2,588	-	(8,810)	(391,961)	1
4,018	-	-	386,417	31,186	62,669	(25,188)	965	132,362	-
-	-	-	-	-	-	25,188	-	(10,840)	-
4,018	-	-	386,417	31,186	62,669	-	965	121,522	-
10,096	-	-	386,417	34,248	65,257	-	(7,845)	(270,439)	1

YEAR ENDED JUNE 30, 2010

	Total Special Revenue	CAPITAL PROJECTS FUNDS					ARRA Waste Water
		Road and Health Projects	Dentention Center Capital Outlay	Courthouse Remodeling	Crusher Facility and Equipment	ARRA Waste Water Loan	
REVENUES:							
Intergovernmental:							
Operating grants and contributions	\$ 616,294	-	22,806	-	-	-	-
Capital grants and contributions	293,204	-	-	525,564	-	-	-
Federal grants	1,154,909	-	-	-	-	-	91,301
Taxes:							
Property	-	-	-	-	-	-	-
Sales	731,591	-	-	-	-	-	-
Motor vehicle	259,567	-	-	-	-	-	-
Gas	151,703	-	-	-	-	-	-
Cigarette	168	-	-	-	-	-	-
Lodgers	30,587	-	-	-	-	-	-
Licenses and fees	560,543	-	-	-	-	-	-
Interest income	6,821	-	-	9	11	-	-
Miscellaneous	25,962	-	-	-	-	-	-
TOTAL REVENUES	3,831,349	-	22,806	525,573	11	-	91,301
EXPENDITURES:							
Current:							
General government	540,389	-	-	-	-	19,069	1,876
Public works	1,726,463	-	-	-	180,675	-	-
Public safety	269,278	-	-	-	-	-	-
Health and welfare	1,271,262	-	-	-	-	-	-
Culture and recreation	3,218	-	-	-	-	-	-
Conservation	1,716	-	-	79,073	-	-	-
Urban redevelopment	9,702	-	-	-	-	-	-
Capital outlay	927,406	-	-	1,420,135	51,254	43,433	117,954
Debt service:							
Principal payments	-	-	-	-	-	-	-
Interest payments	-	-	-	-	-	-	-
Bond issuance cost	-	-	-	-	-	-	-
TOTAL EXPENDITURES	4,749,434	-	-	1,499,208	231,929	62,502	119,830
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(918,085)	-	22,806	(973,635)	(231,918)	(62,502)	(28,529)
OTHER FINANCING SOURCES (USES):							
Transfers in	583,919	-	-	385,000	108,614	-	-
Transfers out	(46,572)	-	(128)	-	-	-	-
Proceeds from the issuance of debt	-	-	-	-	-	62,502	-
Proceeds from the sale of capital assets	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	537,347	-	(128)	385,000	108,614	62,502	-
NET CHANGES IN FUND BALANCE	(380,738)	-	22,678	(588,635)	(123,304)	-	(28,529)
FUND BALANCE, BEGINNING	1,159,174	87,618	2,776	664,032	124,139	-	-
RESTATEMENTS	14,348	-	-	-	-	-	-
FUND BALANCE, AS RESTATED	1,173,522	87,618	2,776	664,032	124,139	-	-
FUND BALANCE, ENDING	\$ 792,784	87,618	25,454	75,397	835	-	(28,529)

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

DEBT SERVICE FUNDS							
ARRA Cinder Road	ARRA Clean Diesel	Total Capital Projects	SMC Debt Service	1997 Series B Bond Issue	1998 Series A Bond Issue	1998 Series B Bond Issue	1997A & 2007 Series Bond Issue
-	-	22,806	-	-	-	-	-
-	-	525,564	-	-	-	-	-
-	119,319	210,620	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	969,622	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	20	5,411	-	-	-	-
-	-	-	-	-	-	-	-
-	119,319	759,010	975,033	-	-	-	-
-	-	-	-	-	-	-	-
-	386	21,331	-	-	-	-	-
-	-	180,675	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	79,073	-	-	-	-	-
-	-	-	-	-	-	-	-
-	118,932	1,751,708	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	58,670	-	-	-	230,000
-	-	-	1,807	-	-	-	240,946
-	-	-	-	-	-	-	-
-	119,318	2,032,787	60,477	-	-	-	470,946
-	-	-	-	-	-	-	-
-	1	(1,273,777)	914,556	-	-	-	(470,946)
-	-	493,614	1,082	-	-	-	470,947
-	-	(128)	(976,414)	-	-	-	-
-	-	62,502	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	555,988	(975,332)	-	-	-	470,947
-	-	-	-	-	-	-	-
-	1	(717,789)	(60,776)	-	-	-	1
-	-	878,565	217,739	-	-	-	440,139
-	-	-	-	-	-	-	-
-	-	878,565	217,739	-	-	-	440,139
-	-	-	-	-	-	-	-
-	1	160,776	156,963	-	-	-	440,140

YEAR ENDED JUNE 30, 2010

	Total Debt Service Funds	Total Non-major Governmental Funds
REVENUES:		
Intergovernmental:		
Operating grants and contributions	\$ -	639,100
Capital grants and contributions	-	818,768
Federal grants	-	1,365,529
Taxes:		
Property	-	-
Sales	969,622	1,701,213
Motor vehicle	-	259,567
Gas	-	151,703
Cigarette	-	168
Lodgers	-	30,587
Licenses and fees	-	560,543
Interest income	5,411	12,252
Miscellaneous	-	25,962
TOTAL REVENUES	975,033	5,565,392
EXPENDITURES:		
Current:		
General government	-	561,720
Public works	-	1,907,138
Public safety	-	269,278
Health and welfare	-	1,271,262
Culture and recreation	-	3,218
Conservation	-	80,789
Urban redevelopment	-	9,702
Capital outlay	-	2,679,114
Debt service:		
Principal payments	288,670	288,670
Interest payments	242,753	242,753
Bond issuance cost	-	-
TOTAL EXPENDITURES	531,423	7,313,644
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	443,610	(1,748,252)
OTHER FINANCING SOURCES (USES):		
Transfers in	472,029	1,549,562
Transfers out	(976,414)	(1,023,114)
Proceeds from the issuance of debt	-	62,502
Proceeds from the sale of capital assets	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(504,385)	588,950
NET CHANGES IN FUND BALANCE	(60,775)	(1,159,302)
FUND BALANCE, BEGINNING	657,878	2,695,617
RESTATEMENTS	-	14,348
FUND BALANCE, AS RESTATED	657,878	2,709,965
FUND BALANCE, ENDING	\$ 597,103	1,550,663

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Capital Outlay/Infrastructure Revenue Bond			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 925,000	930,000	931,722	1,722
Intergovernmental	-	-	-	-
Interest income	20,000	2,500	1,432	(1,068)
Miscellaneous	-	-	-	-
TOTAL REVENUES	945,000	932,500	933,154	654
EXPENDITURES - current:				
Public works:				
Operating	765,174	765,174	758,998	6,176
Principal and interest	-	-	-	-
TOTAL EXPENDITURES	765,174	765,174	758,998	6,176
OTHER FINANCING SOURCES:				
Operating transfers in	218,340	218,468	236,663	18,195
Operating transfers out	(461,816)	(489,433)	(442,473)	46,960
TOTAL OTHER FINANCING SOURCES (USES)	(243,476)	(270,965)	(205,810)	65,155
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (63,650)	(103,639)	(31,654)	71,985
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 63,650	103,639		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	PUBLIC WORKS FACILITY			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	560,000	450,100	11,944	(438,156)
Loan proceeds	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	560,000	450,100	11,944	(438,156)
EXPENDITURES - current:				
Public works:				
Operating	90,000	75,053	41,935	33,118
Capital outlay	1,909,171	1,914,218	1,442,671	471,547
Principal and interest	-	-	-	-
TOTAL EXPENDITURES	1,999,171	1,989,271	1,484,606	504,665
OTHER FINANCING SOURCES:				
Operating transfers in	-	100,000	100,000	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	100,000	100,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES	\$ (1,439,171)	(1,439,171)	(1,372,662)	66,509
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 1,439,171	1,439,171		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Tax Roll Reconciliation

YEAR ENDED JUNE 30, 2010

Property taxes receivable, beginning of year	\$	4,408,327
Changes to Tax Roll:		
Net taxes charged to Treasurer for fiscal year		11,534,912
Adjustments:		
Increases in taxes receivable		110,361
Charge off of taxes receivable		<u>(210,592)</u>
Total receivables prior to collections		15,843,008
Collections for fiscal year ended June 30, 2010		<u>(10,850,184)</u>
Property taxes receivable, end of year	\$	<u><u>4,992,824</u></u>
Property taxes receivable by years are as follows:		
2000		154,401
2001		238,290
2002		223,306
2003		295,041
2004		298,051
2005		259,765
2006		391,722
2007		475,619
2008		860,414
2009		<u>1,796,215</u>
Total taxes receivable	\$	<u><u>4,992,824</u></u>
Collections during the fiscal year ended June 30, 2010 are as follows:		
Taxes	\$	10,850,184
Penalty and interest		<u>401,120</u>
Taxes charged to Treasurer at June 30, 2010	\$	<u><u>11,251,304</u></u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Tax Roll Reconciliation - continued

YEAR ENDED JUNE 30, 2010

Distributions made on fiscal year June 30, 2010 collections:

San Miguel County	\$	3,697,774
East Las Vegas Schools		1,812,394
West Las Vegas Schools		1,811,100
Pecos School		534,790
Santa Rosa Consolidated Schools		9,581
Luna Community College		925,323
City of Las Vegas		1,269,752
Village of Pecos		9,120
Mesa		1,610
Guadalupe Soil and Water		124
Tiera y Montes Soil and Water		385,309
State of New Mexico		588,810
New Mexico Taxation and Revenue		<u>139,812</u>
Total distributions	\$	<u>11,185,499</u>
Undistributed taxes and interest at June 30, 2010	\$	<u>402,504</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:

MAJOR FUNDS

Detention Center – To account for the revenues and expenditures for the San Miguel County Detention Center. The creation and maintenance of a separate fund was established by a County Resolution.

Fire Districts – To account for the revenues and expenditures associated with the San Miguel County Fire Districts. Funding is from operating grant revenue. The creation and maintenance of a separate fund was established by a County Resolution.

Community Projects – To account for the revenues and expenditures for Community Projects in San Miguel County. The creation and maintenance of a separate fund was established by a County Resolution.

NON-MAJOR FUNDS

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 Allocation, DWI Grant, Underage Drinking, Community DWI Program, DWI Offenders Fee – 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.)

SPECIAL REVENUE FUNDS - continued

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).

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).

SPECIAL REVENUE FUNDS - continued

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.

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.

Road Projects Special Appropriation – To account for the revenues and expenditures associated with road projects around San Miguel County. The creation and maintenance of a separate fund was established by a County Resolution.

ARRA - Justice of Assistance Grant (JAG) – To account for federal funds received through the American Recovery and Reinvestment Act. Resolution 2010-03-02-F6 established this fund.

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 170,000	150,000	148,302	(1,698)
Intergovernmental	522,600	532,600	539,596	6,996
Miscellaneous	<u>1,000</u>	<u>500</u>	<u>10</u>	<u>(490)</u>
TOTAL REVENUES	693,600	683,100	687,908	4,808
EXPENDITURES - current:				
Public works:				
Operating	788,131	889,737	975,522	(85,785)
Capital outlay	3,000	4,328	4,328	-
Principal and Interest	<u>156,744</u>	<u>157,674</u>	<u>13,840</u>	<u>143,834</u>
TOTAL EXPENDITURES	947,875	1,051,739	993,690	58,049
OTHER FINANCING SOURCES:				
Operating transfers in	249,306	344,506	344,506	-
Operating transfers out	<u>(38,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>211,306</u>	<u>334,506</u>	<u>334,506</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(42,969)</u>	<u>(34,133)</u>	<u>28,724</u>	<u>62,857</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>42,969</u>	<u>34,133</u>		

See Independent Auditors' Report.

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 80,000	75,000	71,719	(3,281)
Licenses and fees	480,000	480,000	459,754	(20,246)
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	560,000	555,000	531,473	(23,527)
EXPENDITURES - current:				
Public works:				
Operating	789,007	783,029	740,045	42,984
Capital outlay	2,500	5,432	5,432	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	791,507	788,461	745,477	42,984
OTHER FINANCING SOURCES:				
Operating transfers in	186,225	189,203	189,203	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	186,225	189,203	189,203	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (45,282)	(44,258)	(24,801)	19,457
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 45,282	44,258		

See Independent Auditors' Report.

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, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	43,745	63,745	44,136	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	43,745	63,745	44,136	-
EXPENDITURES - current:				
Public works:				
Operating	20,000	39,222	17,991	21,231
Capital outlay	-	24,576	-	24,576
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	20,000	63,798	17,991	45,807
OTHER FINANCING SOURCES:				
Operating transfers in	4,000	4,000	3,638	362
Operating transfers out	(33,719)	(36,934)	(36,572)	(362)
TOTAL OTHER FINANCING SOURCES (USES)	(29,719)	(32,934)	(32,934)	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (5,974)	(32,987)	(6,789)	26,198
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 5,974	32,987		

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	3,200	3,200	3,028	(172)
Miscellaneous	-	-	-	-
TOTAL REVENUES	3,200	3,200	3,028	(172)
EXPENDITURES - current:				
Public works:				
Operating	15,454	15,454	1,716	13,738
Capital outlay	-	-	-	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	15,454	15,454	1,716	13,738
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (12,254)	(12,254)	1,312	13,566
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 12,254	12,254		

See Independent Auditors' Report.

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	179,541	179,541	182,876	3,335
Miscellaneous	-	-	-	-
TOTAL REVENUES	179,541	179,541	182,876	3,335
EXPENDITURES - current:				
Public works:				
Operating	174,100	172,168	171,072	1,096
Capital outlay	5,441	7,373	7,373	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	179,541	179,541	178,445	1,096
OTHER FINANCING SOURCES:				
Operating transfers in		-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	4,431	4,431
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-		-
Intergovernmental	55,862	62,967	17,371	(45,596)
Miscellaneous	-	-	-	-
TOTAL REVENUES	55,862	62,967	17,371	(45,596)
EXPENDITURES - current:				
Public works:				
Operating	38,000	40,885	40,885	-
Capital outlay	-	4,220	4,220	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	38,000	45,105	45,105	-
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 17,862	17,862	(27,734)	(45,596)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	7,907	7,907	2,492	(5,415)
Miscellaneous	-	-	-	-
TOTAL REVENUES	7,907	7,907	2,492	(5,415)
EXPENDITURES - current:				
Public works:				
Operating	2,698	2,698	2,515	183
Capital outlay	-	-	-	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	2,698	2,698	2,515	183
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>5,209</u>	<u>5,209</u>	<u>(23)</u>	<u>(5,232)</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	42,604	37,604	12,996	(24,608)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	42,604	37,604	12,996	(24,608)
EXPENDITURES - current:				
Public works:				
Operating	20,189	20,189	15,521	4,668
Capital outlay	-	-	-	-
Principal and Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	20,189	20,189	15,521	4,668
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>22,415</u>	<u>17,415</u>	<u>(2,525)</u>	<u>(19,940)</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>-</u>	<u>-</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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	10,000	10,400	11,989	1,589
TOTAL REVENUES	10,000	10,400	11,989	1,589
EXPENDITURES - current:				
Public works:				
Operating	26,859	26,859	15,261	11,598
Capital outlay	-	-	-	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	26,859	26,859	15,261	11,598
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (16,859)	(16,459)	(3,272)	13,187
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 16,859	16,459		

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, 2010

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

See Independent Auditors' Report.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 5,000	12,225	5,284	(6,941)
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	5,000	12,225	5,284	(6,941)
EXPENDITURES - current:				
Public works:				
Operating	5,000	7,747	3,190	4,557
Capital outlay	-	-	-	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	5,000	7,747	3,190	4,557
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	4,478	2,094	(2,384)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 7,000	7,000	7,000	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	7,000	7,000	7,000	-
EXPENDITURES - current:				
Public works:				
Operating	1,500	11,500	-	11,500
Capital outlay	61,010	51,010	48,202	2,808
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	62,510	62,510	48,202	14,308
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (55,510)	(55,510)	(41,202)	14,308
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 55,510	55,510		

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Licenses and fees	20,000	20,000	17,357	(2,643)
Miscellaneous	-	-	-	-
TOTAL REVENUES	20,000	20,000	17,357	(2,643)
EXPENDITURES - current:				
Public works:				
Operating	5,000	16,810	14,886	1,924
Capital outlay	28,703	16,893	14,860	2,033
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	33,703	33,703	29,746	3,957
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (13,703)	(13,703)	(12,389)	1,314

**PRIOR YEAR CASH BALANCE
REQUIRED TO BALANCE**

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 300	300	155	(145)
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	300	300	155	(145)
EXPENDITURES - current:				
Public works:				
Operating	787	787	-	787
Capital outlay	-	-	-	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	787	787	-	787
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (487)	(487)	155	642
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 487	487		

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, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 26,250	27,200	27,512	312
Intergovernmental	-	-	-	-
Interest income	-	400	558	158
Miscellaneous	-	-	-	-
TOTAL REVENUES	26,250	27,600	28,070	470
EXPENDITURES - current:				
Public works:				
Operating	26,250	33,685	19,923	13,762
Capital outlay	-	-	-	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	26,250	33,685	19,923	13,762
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	(6,085)	8,147	14,232
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	6,085		

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 869,743	869,743	655,642	(214,101)
Intergovernmental	-	-	-	-
Interest income	1,000	1,000	1,561	561
Miscellaneous	-	-	-	-
TOTAL REVENUES	870,743	870,743	657,203	(213,540)
EXPENDITURES - current:				
Public works:				
Operating	841,177	841,177	634,001	207,176
Capital outlay	-	-	-	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	841,177	841,177	634,001	207,176
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 29,566	29,566	23,202	(6,364)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

See Independent Auditors' Report.

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	70,000	70,000	72,243	2,243
TOTAL REVENUES	70,000	70,000	72,243	2,243
EXPENDITURES - current:				
Public works:				
Operating	59,672	54,834	44,035	10,799
Capital outlay	1,000	1,218	753	465
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	60,672	56,052	44,788	11,264
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 9,328	13,948	27,455	13,507
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

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, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES (52000 - 53000):				
Intergovernmental	\$ 13,000	15,355	15,355	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	13,000	15,355	15,355	-
EXPENDITURES - current:				
General EMS				
Public Safety:				
Operating	-	72,000	72,000	-
Capital outlay	-	-	-	-
	-	72,000	72,000	-
Gallinas EMS (52100)				
Public Safety:				
Operating	-	-	-	-
Capital outlay	87,735	15,735	-	15,735
	87,735	15,735	-	15,735
Sapello/Rociada EMS (52200)				
Public Safety:				
Operating	8,793	8,793	6,037	2,756
Capital outlay	-	-	-	-
	8,793	8,793	6,037	2,756
Conchas VFD (52300)				
Public Safety:				
Operating	15,492	5,109	1,591	3,518
Capital outlay	-	10,383	124	10,259
	15,492	15,492	1,715	13,777
Ilfeld VFD (52400)				
Public Safety:				
Operating	6,224	6,224	3,808	2,416
Capital outlay	-	2,243	-	2,243
	6,224	8,467	3,808	4,659

See Independent Auditors' Report.

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES - current - continued:				
Cabo Lucero EMS (52700)				
Public Safety:				
Operating	3,007	3,119	3,119	-
Capital outlay	-	-	-	-
	3,007	3,119	3,119	-
Sheridan EMS				
Public Safety:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
	-	-	-	-
Bernal/Tecolote EMS (53000)				
Public Safety:				
Operating	8,026	8,026	6,915	1,111
Capital outlay	-	-	-	-
	8,026	8,026	6,915	1,111
TOTAL EXPENDITURES	129,277	131,632	93,594	38,038
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (116,277)	(116,277)	(78,239)	38,038
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 116,277	116,277		

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, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	65,956	24,199	24,200	1
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	65,956	24,199	24,200	1
EXPENDITURES - current:				
Public works:				
Operating	-	2,457	1,336	1,121
Capital outlay	65,956	21,742	16,786	4,956
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	65,956	24,199	18,122	6,077
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	6,078	6,078
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

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, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	767,472	748,518	742,873	(5,645)
Interest income	500	3,000	4,679	1,679
Miscellaneous	14,500	22,291	26,615	4,324
TOTAL REVENUES	782,472	773,809	774,167	358
EXPENDITURES - current:				
Public works:				
Operating	774,163	992,570	749,181	243,389
Capital outlay	-	9,398	7,416	1,982
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	774,163	1,001,968	756,597	245,371
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 8,309	(228,159)	17,570	245,729
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	228,159		

See Independent Auditors' Report.

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	18,000	18,000	25,450	7,450
TOTAL REVENUES	18,000	18,000	25,450	7,450
EXPENDITURES - current:				
Public works:				
Operating	78,000	78,000	22,862	55,138
Capital outlay	-	-	-	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	78,000	78,000	22,862	55,138
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (60,000)	(60,000)	2,588	62,588
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 60,000	60,000		

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	429,594	454,783	85,729	(369,054)
Miscellaneous	-	-	-	-
TOTAL REVENUES	429,594	454,783	85,729	(369,054)
EXPENDITURES - current:				
Public works:				
Operating	-	9,702	9,702	-
Capital outlay	476,554	466,852	81,079	385,773
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	476,554	476,554	90,781	385,773
OTHER FINANCING SOURCES:				
Operating transfers in	46,960	46,960	-	(46,960)
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	46,960	46,960	-	(46,960)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	25,189	(5,052)	(30,241)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	468,187	645,224	334,306	(310,918)
Miscellaneous	-	-	-	-
TOTAL REVENUES	468,187	645,224	334,306	(310,918)
EXPENDITURES - current:				
Public works:				
Operating	121,114	182,852	169,991	12,861
Capital outlay	223,400	342,265	162,588	179,677
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	344,514	525,117	332,579	192,538
OTHER FINANCING SOURCES:				
Operating transfers in	33,719	37,284	36,572	712
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	33,719	37,284	36,572	712
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>157,392</u>	<u>157,391</u>	<u>38,299</u>	<u>(119,092)</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>-</u>	<u>-</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance From
	Original	Final	Amounts (Budgetary Basis)	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 1,430,924	1,430,924	1,019,410	(411,514)
Taxes - sales	-	-	-	-
Licenses and fees	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	1,430,924	1,430,924	1,019,410	(411,514)
EXPENDITURES - current:				
Public safety:				
Operating expenses	796,792	768,792	656,620	112,172
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	796,792	768,792	656,620	112,172
OTHER FINANCING SOURCES				
Operating transfers in	38,000	10,000	10,000	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES	38,000	10,000	10,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER FUNDING SOURCES	\$ <u>672,132</u>	<u>672,132</u>	<u>372,790</u>	<u>(299,342)</u>
PRIOR YEAR CASH				
BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>-</u>	<u>-</u>		

See Independent Auditors' Report.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	41,757	41,757	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	41,757	41,757	-
EXPENDITURES - current:				
Public works:				
Operating	-	4,654	4,654	-
Capital outlay	-	37,103	35,146	1,957
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	-	41,757	39,800	1,957
OTHER FINANCING SOURCES:				
Operating transfers in				-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	1,957	1,957
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

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.

MAJOR FUND

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

NON-MAJOR FUNDS

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.

Courthouse Remodeling – To account for revenues and expenditures related to the Courthouse Remodeling project.

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.

ARRA - Waste Water Loan Program – To account for all federal funds relating to the Waste Water Loan Program. The creation of this fund was authorized by the San Miguel County Commissioners resolution 2010-03-02-F2.

ARRA - Waste Water – To account for federal funds received through the American Recovery and Reinvestment Act. The authority to create this fund was set forth in resolution 2010-03-02-F3.

ARRA - Cinder Road – To account for federal funds received through the American Recovery and Reinvestment Act. These funds are to be used for the Cinder Road project in the County. Resolution 2010-03-02-F4 created this fund.

ARRA - Clean Diesel – To account for federal funds received through the American Recovery and Reinvestment Act. These funds are to be used for pollution reduction initiatives in the County. This fund was established through Resolution 2010-03-02-F5.

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, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -			-
Intergovernmental	10,000	21,866	22,806	940
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	10,000	21,866	22,806	940
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	10,000	10,000	-	10,000
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	10,000	10,000	-	10,000
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	(128)	-	(128)
TOTAL OTHER FINANCING SOURCES (USES)	-	(128)	-	(128)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	11,738	22,806	11,068
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	COURTHOUSE REMODELING (21000)			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 475,960	530,600	459,329	(71,271)
Loan proceeds	-	-	-	-
Interest income	4,000	4,000	9	(3,991)
Miscellaneous	-	-	-	-
TOTAL REVENUES	479,960	534,600	459,338	(75,262)
EXPENDITURES - current:				
Public safety:				
Operating expenses	13,881	33,548	32,926	622
Capital outlay	1,549,010	1,768,984	1,637,421	131,563
TOTAL EXPENDITURES	1,562,891	1,802,532	1,670,347	132,185
OTHER FINANCING SOURCES:				
Operating transfers in	200,000	385,000	385,000	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	200,000	385,000	385,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(882,931)</u>	<u>(882,932)</u>	<u>(826,009)</u>	<u>56,923</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>882,931</u>	<u>882,932</u>		

See Independent Auditors' Report.

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Loan Proceeds	-	-	-	-
Interest Income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES - current:				
Public works:				
Operating	103,550	169,163	164,772	4,391
Capital outlay	74,028	51,479	51,479	-
Principal and Interest	-	-	-	-
TOTAL EXPENDITURES	177,578	220,642	216,251	4,391
OTHER FINANCING SOURCES:				
Operating transfers in	65,550	108,614	108,614	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	65,550	108,614	108,614	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>(112,028)</u>	<u>(112,028)</u>	<u>(107,637)</u>	<u>4,391</u>
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ <u>112,028</u>	<u>112,028</u>		

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Capital Projects Funds - ARRA Waste Water Loan Program -
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Loan proceeds	-	95,000	41,655	(53,345)
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	95,000	41,655	(53,345)
EXPENDITURES - current:				
Public works:				
Operating	-	17,828	19,069	(1,241)
Capital outlay	-	77,172	43,433	33,739
Principal and interest	-	-	-	-
TOTAL EXPENDITURES	-	95,000	62,502	32,498
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	(20,847)	(20,847)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

See Independent Auditors' Report.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Capital Projects Funds - ARRA Waste Water -
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	405,000	-	(405,000)
Loan proceeds	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	405,000	-	(405,000)
EXPENDITURES - current:				
Public works:				
Operating	-	-	1,876	(1,876)
Capital outlay	-	405,000	89,425	315,575
Principal and interest	-	-	-	-
TOTAL EXPENDITURES	-	405,000	91,301	313,699
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	(91,301)	(91,301)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

See Independent Auditors' Report.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	937,015	-	(937,015)
Loan proceeds	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
<u>TOTAL REVENUES</u>	-	937,015	-	(937,015)
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	937,015	-	937,015
Principal and interest	-	-	-	-
<u>TOTAL EXPENDITURES</u>	-	937,015	-	937,015
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	-
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-	-	-

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Capital Projects Funds - ARRA Clean Diesel -
Statement of Revenues and Expenditures -
Budget and Actual (Non-GAAP Budgetary Basis)

YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	515,858	-	(515,858)
Loan proceeds	-	-	-	-
Interest income	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	515,858	-	(515,858)
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	515,858	118,932	396,926
Principal and interest	-	-	-	-
TOTAL EXPENDITURES	-	515,858	118,932	396,926
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	(118,932)	(118,932)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

See Independent Auditors' Report.

DEBT SERVICE FUNDS

MAJOR FUND

Capital Outlay/Infrastructure Revenue Bond – To account for the accumulation of resources and payments of revenue bond principal, interest and administrative fees from pledged County gross receipts tax revenues.

NON-MAJOR FUNDS

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

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

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

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

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.

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 450,000	450,000	442,084	(7,916)
Intergovernmental	560,000	527,986	527,986	-
Interest income	10,000	2,500	2,413	(87)
Miscellaneous	-	-	-	-
TOTAL REVENUES	1,020,000	980,486	972,483	(8,003)
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
Principal and Interest	60,478	60,478	60,478	-
TOTAL EXPENDITURES	60,478	60,478	60,478	-
OTHER FINANCING SOURCES:				
Operating transfers in	-	-	-	-
Operating transfers out	(976,414)	(976,414)	(976,414)	-
TOTAL OTHER FINANCING SOURCES (USES)	(976,414)	(976,414)	(976,414)	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ (16,892)	(56,406)	(64,409)	(8,003)
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ 16,892	56,406		

See Independent Auditors' Report.

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, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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

YEAR ENDED JUNE 30, 2010

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

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

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, 2010

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance From Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ -	-	-	-
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	-	-	-	-
EXPENDITURES - current:				
Public works:				
Operating	-	-	-	-
Capital outlay	-	-	-	-
Principal and Interest	470,947	470,947	470,947	-
TOTAL EXPENDITURES	470,947	470,947	470,947	-
OTHER FINANCING SOURCES:				
Operating transfers in	470,947	470,947	470,947	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	470,947	470,947	470,947	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ -	-	-	-
PRIOR YEAR CASH BALANCE REQUIRED TO BALANCE BUDGET	\$ -	-		

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, 2010

		Treasurer Fund	El Valle Foundation Fund	Employee Fund	Inmate Trust Fund	Total
ASSETS:						
Cash and cash equivalents (Note 2)	\$	13,655	26,178	1,891	21,542	63,266
Taxes receivable		<u>3,256,320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,256,320</u>
TOTAL ASSETS	\$	<u>3,269,975</u>	<u>26,178</u>	<u>1,891</u>	<u>21,542</u>	<u>3,319,586</u>
LIABILITIES:						
Due to other agencies	\$	4,575	-	-	-	4,575
Due to other funds		35,767	-	-	-	35,767
Uncollected taxes		2,827,129	-	-	-	2,827,129
Undistributed taxes		402,504	-	-	-	402,504
Deposits held in trust for others		<u>-</u>	<u>26,178</u>	<u>1,891</u>	<u>21,542</u>	<u>49,611</u>
TOTAL LIABILITIES	\$	<u>3,269,975</u>	<u>26,178</u>	<u>1,891</u>	<u>21,542</u>	<u>3,319,586</u>

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, 2010

	Treasurer Fund	El Valle Foundation Fund	Employee Fund	Inmate Trust Fund	Total
Assets, July 1, 2009	\$ 3,422,290	33,504	1,937	16,487	3,474,218
Increase	11,097,121	363	3,511	117,470	11,218,465
Decrease	<u>(11,249,436)</u>	<u>(7,689)</u>	<u>(3,557)</u>	<u>(112,415)</u>	<u>(11,373,097)</u>
Assets, June 30, 2010	\$ <u>3,269,975</u>	<u>26,178</u>	<u>1,891</u>	<u>21,542</u>	<u>3,319,586</u>
Liabilities, July 1, 2009	\$ 3,422,290	33,504	1,937	16,487	3,474,218
Increase	11,097,121	363	3,511	117,470	11,218,465
Decrease	<u>(11,249,436)</u>	<u>(7,689)</u>	<u>(3,557)</u>	<u>(112,415)</u>	<u>(11,373,097)</u>
Liabilities, June 30, 2010	\$ <u>3,269,975</u>	<u>26,178</u>	<u>1,891</u>	<u>21,542</u>	<u>3,319,586</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements

YEAR ENDED JUNE 30, 2010

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	\$ N/A	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	\$ 21,519	\$ 21,519	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/Mora County Adult Detention	SMC	1/11/2005	1/11/2009	\$53.00/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

See Independent Auditors' Report.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
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
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

See Independent Auditors' Report.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
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: Chapelle Roadway Project; Pendaries Roadway Improvements; Storrie Bridge Project; Chapelle Low Water Crossing	SMC	7/9/2007	N/A	N/A	N/A	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/Assessor Nick J. Michalski Appraisal Personnel Training	SMC	9/11/2007	N/A	N/A	N/A	N/A	SMC
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

See Independent Auditors' Report.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
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	8/29/2007	N/A	N/A	N/A	N/A	SMC
San Miguel County/Soleil West Sole Proprietorship Architect Normal Structural Mechanical Electrical Engineering Services	SMC	8/29/2007	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
Guadalupe County Fire and Rescue Services/ San Miguel Fire & Rescue Services Fire and Emergency Services - Tecolotito Area	SMC	9/20/2007	N/A	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

See Independent Auditors' Report.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
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 Finance 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 Finance 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
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
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

See Independent Auditors' Report.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
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	12/31/2010	N/A	N/A	N/A	SMC
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

See Independent Auditors' Report.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
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
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
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	SMC	1/21/2008	N/A	N/A	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
San Miguel County/Soleil West Sole Proprietorship Architect Normal Structural Mechanical Electrical Engineering Services	SMC	4/2/2008	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, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
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	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
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
San Miguel County/Department of Transportation Safe Routes to School Phase 1 Funds	SMC	8/4/2008	N/A	\$ 15,000	N/A	N/A	SMC
San Miguel County/West Las Vegas School District DWI Park in San Miguel County	SMC	12/17/2008	N/A	\$ 23,800	N/A	N/A	SMC
San Miguel County/Luna Community College Joint Effort to Secure a Global and Factual Assessment of Assets, Liabilities, Opportunities, and Challenges of the Entire Local Community	SMC	2/4/2009	N/A	\$ 50,000	\$ 17,500	N/A	SMC

See Independent Auditors' Report.

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Schedule 2 - Joint Powers Agreements - continued

YEAR ENDED JUNE 30, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/Quay County Confinement of Prisoners	SMC	4/14/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/Highlands University Educational Outreach Program Interactive Television Training Site for the Purpose of Communication, Exercising and Training for Area 2 Emergency Management Offices	SMC	3/30/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/West Las Vegas Schools Provide Proper Coordination and Delivery of Support and Assistance to the Citizens of Las Vegas and San Miguel County During an Emergency or Disaster Response	SMC	4/14/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/West Las Vegas Schools Allows West Las Vegas to Utilize a Radio Frequency Through the San Miguel County Communication System	SMC	4/14/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/Fourth Judicial District Court To Equip and Upgrade the Fourth Judicial District Courthouse	SMC	5/12/2009	N/A	\$ 133,316	N/A	N/A	SMC
San Miguel County/Quay County Adult Detention	SMC	7/1/2009	6/30/2013	\$125 Daily	N/A	N/A	SMC
San Miguel County/Quay County Juvenile Detention	SMC	1/1/2010	1/1/2014	\$75 Daily	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, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/City of Las Vegas Fourth of July Fiesta Committee Lodgers' Tax Fund	SMC	7/1/2009	6/30/2010	\$ 1,000	N/A	N/A	SMC
San Miguel County/Music From Angel Fire Lodgers' Tax Fund	SMC	7/1/2009	6/30/2010	\$ 3,000	N/A	N/A	SMC
San Miguel County/Las Vegas Chamber of Commerce Lodgers' Tax Fund	SMC	7/1/2009	6/30/2010	\$ 20,435	N/A	N/A	SMC
San Miguel County/Rocky Road Gravel Emergency Snow Removal and/or Road Maintenance	SMC	1/12/2010	12/31/2010	N/A	N/A	N/A	SMC
San Miguel County/EP Construction Emergency Snow Removal and/or Road Maintenance	SMC	1/12/2010	12/31/2010	N/A	N/A	N/A	SMC
San Miguel County/Purgatorie Valley Construction Sanitary Sewer Systems and Evaporative Lagoon	SMC	2/11/2010	N/A	\$ 321,530	N/A	N/A	SMC
San Miguel County/Tri-County Family Justice Center Building Lease and Land	SMC	3/1/2010	N/A	\$ 39,000/year	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, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/U.S. Army Engineer Funds to Patrol Park	SMC	2/26/2010	9/18/2010	\$ 53,530	N/A	N/A	SMC
San Miguel County/Summit Food Service Food Service	SMC	3/16/2010	N/A	N/A	N/A	N/A	SMC
San Miguel County/Rocky Road Gravel Road Maintenance and Improvements	SMC	3/16/2010	N/A	N/A	N/A	N/A	SMC
San Miguel County/Duran Sand and Gravel Road Maintenance and Improvements	SMC	3/16/2010	N/A	N/A	N/A	N/A	SMC
San Miguel County/Fourth Judicial District Court Construction of Jury Box	SMC	4/13/2010	N/A	\$ 216,000	N/A	N/A	SMC
San Miguel County/Management Associates Negotiations	SMC	5/11/2010	5/11/2011	N/A	N/A	N/A	SMC
San Miguel County/New Mexico Department of Transportation Drinking Prevention Programs	SMC	6/29/2010	6/30/2011	N/A	N/A	N/A	SMC
San Miguel County/Harding County Inmate Confinement	SMC	6/29/2010	6/29/2014	\$65/day	N/A	N/A	SMC
San Miguel County/Securus Technologies Inmate Telephone Agreement	SMC	6/29/2010	6/29/2011	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, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/Justice Software Solutions Software Licenses	SMC	6/29/2010	6/30/2013	N/A	N/A	N/A	SMC
San Miguel County/City of Las Vegas Police Department Confinement of Prisoners	SMC	7/13/2009	7/13/2010	\$65/day	N/A	N/A	SMC
San Miguel County Assessor's Office/ Nick Michalske Appraisal Training	SMC	7/14/2009	12/31/2009	\$ 30,000	N/A	N/A	SMC
San Miguel County/Health Care Partners Foundation Healthcare Management Services	SMC	8/18/2009	8/18/2013	N/A	N/A	N/A	SMC
San Miguel County/Luna Community College GED Program	SMC	8/18/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/Children Youth and Families Department Graduated Sanction Services	SMC	7/1/2009	7/20/2010	N/A	N/A	N/A	SMC
San Miguel County/Erika Derkas Coordinating the Las Vegas Juvenile Justice Continuum Board	SMC	8/11/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/NMHU Juvenile Justice Board	SMC	8/11/2009	6/30/2010	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, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/New Mexico Department of Transportation Reduction of DWI Initiative	SMC	8/18/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/Mr. Archie Roybal Welding Services	SMC	9/15/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/Santa Fe County Inmate Confinement	SMC	10/14/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/Energy, Minerals and Natural Resources Department Wildland Fire Protection and Suppression	SMC	10/19/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/De Sena Electric Electrical Services	SMC	11/1/2009	10/31/2010	N/A	N/A	N/A	SMC
San Miguel County/El Centro Family Health Lease Agreement	SMC	10/14/2009	N/A	Rental Fair Value	N/A	N/A	SMC
San Miguel County/Jeffrey's Plumbing Plumbing Services	SMC	10/14/2009	10/31/2010	N/A	N/A	N/A	SMC
San Miguel County/Local Government Division Prevention and Screening	SMC	11/10/2009	N/A	\$ 45,105	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, 2010

Participants	Responsible Party	Dates of Agreement		Project Amount	County Portion	Current Year Contributions	Audit Responsibility
		Beginning	Ending				
San Miguel County/NMHU Use of School Facilities	SMC	10/29/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/Mora County Confinement of Prisoners	SMC	12/8/2009	12/8/2010	\$85/day	N/A	N/A	SMC
San Miguel County/Town of Taos Confinement of Prisoners	SMC	12/8/2009	12/8/2010	\$85/day	N/A	N/A	SMC
San Miguel County/City of Las Vegas Use of Abe Montoya Recreation Center	SMC	8/19/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/NM Department of Health 2009 H1N1 Vaccine	SMC	11/10/2009	N/A	N/A	N/A	N/A	SMC
San Miguel County/Ser de New Mexico, Inc. Use of Vehicles - Senior Citizen Transportation Program	SMC	1/19/2010	1/19/2011	N/A	N/A	N/A	SMC

See Independent Auditors' Report.

FINANCIAL DATA SCHEDULE

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Financial Data Schedule

AS OF JUNE 30, 2010

HUD Line Item #	Accounts	Section 8 Rental Voucher 14.855
ASSETS:		
111	Section 8 Fund Cash	\$ 283,924
121	Accounts Receivable	<u>2,163</u>
190	TOTAL ASSETS	\$ <u>286,087</u>
LIABILITIES AND FUND BALANCES:		
Liabilities:		
312	Accounts payable	\$ 2,209
321	Accrued payroll	3,248
345	Due to others	-
342	Deferred revenue	<u>246,382</u>
300	Total liabilities	251,839
Fund balances:		
512	Unreserved, undesignated	<u>34,248</u>
513	Total fund equity	<u>34,248</u>
600	TOTAL LIABILITIES AND FUND BALANCES	\$ <u>286,087</u>

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Financial Data Schedule - continued

YEAR ENDED JUNE 30, 2010

HUD Line Item #	Accounts	Section 8 Rental Voucher 14.855
	REVENUE:	
70600	HUD PHA Grants	\$ 757,370
71100	Investment revenue	<u>4,679</u>
70000	TOTAL REVENUE	762,049
	EXPENDITURES:	
91100	Aministrative salaries	53,326
91200	Auditing fees	2,625
91400	Advertising and marketing	-
91600	Office Expenses	10,266
91800	Travel	3,977
93400	Fuel	647
94100	Ordinary maintenance and operations	42
96130	Workmen's compensation	566
96140	All other insurance	506
96200	Other general expenses	20,869
97600	Housing assistance payments	<u>666,163</u>
90000	TOTAL EXPENDITURES	<u>758,987</u>
97000	EXCESS OF REVENUES OVER EXPENDITURES	\$ <u><u>3,062</u></u>
	MEMO ACCOUNTING INFORMATION:	
11030	Beginning equity	\$ <u><u>31,186</u></u>
513	Total fund equity	\$ <u><u>34,248</u></u>

SINGLE AUDIT

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Supplemental Schedule of Expenditures of Federal Awards

YEAR ENDED JUNE 30, 2010

Federal Agency/ Pass-Through Agency	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Participating Expenditures
U.S. Department of Housing & Urban Development			
Community Development Block Grant	14.218		90,781
Section 8 Choice Vouchers Program	14.871		\$ <u>757,370</u>
Total U.S. Department of Housing & Urban Development			848,151
U.S. Department of Homeland Security			
Direct Programs			
Federal Emergency Management Agency	97.036		
Corp of Engineers	97.XX		12,690
Passed through New Mexico Department of Homeland Security			
Emergency Management Performance Grant	97.042	2009-SS-T9-000030	202,495
Homeland Security Grant Program	97.004	2009-SS-T9-000030	61,089
Total U.S. Department of Homeland Security			<u>276,274</u>
U.S. Department of Health and Human Services			
Passed through New Mexico Department of Health			
H1N1 Influenza Funding	93.XX	11-10-09H1N1-OEM	<u>3,374</u>
Total U.S. Department of Health and Human Services			<u>3,374</u>
U.S. Department of Agriculture			
Direct Programs:			
Community Facilities Loans and Grants	10.780		45,000
ARRA - Rural Business Enterprise Grants	10.783		33,600
Passed through the New Mexico Environment Department			
ARRA - Waste Water Program	10.781	CWSRF 12	<u>91,301</u>
Total U.S. Department of Agriculture			<u>169,901</u>
U.S. Department of Justice			
Passed through the City of Las Vegas, New Mexico			
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG)			
Program / Grants to States and Territories	16.803	2009-SB-B9-1880	<u>39,800</u>
Total U.S. Department of Justice			<u>39,800</u>
Environmental Protection Agency			
ARRA - National Clean Diesel Emissions Reduction Program	66.039		<u>119,319</u>
Total Environmental Protection Agency			<u>119,319</u>
Total			\$ <u><u>1,456,819</u></u>

Notes to the Supplemental Schedule of Expenditures of Federal Awards

GENERAL

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

BASIS OF ACCOUNTING

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

**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 San Miguel County, (the County) as of and for the year ended June 30, 2010. We have also audited the financial statements of each of the County's non-major governmental and fiduciary funds, and the budgetary comparisons for the major capital project fund, major debt service fund, major enterprise fund and all non-major funds, presented as supplementary information in the combining and individual fund financial statements and schedules as of and for the year ended June 30, 2010, and have issued our report thereon dated November 10, 2010, 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.



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

Internal Control Over Financial Reporting - continued

A **deficiency in internal control** exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A **material weakness** is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 04-06 and 05-06 to be material weaknesses.

A **significant deficiency** is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as finding 08-03 to be a significant deficiency.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as findings 10-01 and 10-02.

We also noted certain other matters that are required to be reported pursuant to *Government Auditing Standards*, paragraphs 5.14 and 5.16, and pursuant to Section 12-6-5 NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 04-04, 10-03 and 10-04.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's 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

Compliance and Other Matters - continued

This report is intended solely for the information and use of management, others within the County, 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.

Mayers + Company, LLC

November 10, 2010

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 San Miguel County’s (the County) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of San Miguel County’s major federal programs for the year ended June 30, 2010. The County’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County’s management. Our responsibility is to express an opinion on the County’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and 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 of the County’s compliance with those requirements.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as finding 08-04.



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

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A **deficiency in internal control over compliance** exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A **material weakness in internal control over compliance** is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency, as described in the accompanying schedule of findings and questioned costs as item 08-04. A **significant deficiency in internal control over compliance** is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Meyers + Company, LLC

November 10, 2010

Schedule of Findings and Questioned Costs

YEAR ENDED JUNE 30, 2010

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 four significant deficiencies identified, of which two are considered to be material weaknesses to the financial statements of the County.
4. There were no control deficiencies over the internal control over major programs identified that are material weaknesses.
5. There was one audit finding that the auditor is required to report under 510(a) of Circular A-133.
6. The auditors' report on compliance for the major federal award programs for the County expresses an unqualified opinion.
7. The program tested as a major program was:
Section 8 Housing Choice Vouchers - CFDA No. 14.871
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The County was determined to be a low-risk auditee.

Schedule of Findings and Questioned Costs - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT

Current Year Findings

10-1 PERSONNEL FILE RECORDS COMPLIANCE (Control Deficiency)

Condition: During testing of internal controls within the payroll process, it was discovered that three out of forty personnel files reviewed contained I-9s that were not signed by a County employee.

Criteria: Per Internal Revenue Service (IRS) guidance for proper completion of form I-9, "employers must sign and date certification in Section 2."

Cause: Ineffective oversight of the records retention process in the human resources department.

Effect: The County is complying with IRS requirements for completion of I-9 documentation for new hires.

Recommendation: We recommend that the County implement a review process for personnel file records, where a person other than the individual completing the form can verify that the I-9s are being completed properly.

Management's Response:

This was an oversight to fully complete the paperwork. The Human Resource Administrative Assistant (HRAA) will create a check list of all forms requiring HRAA signature. The signature check list shall be referred to each time a new hire is being oriented.

10-2 PER DIEM VIOLATION (Control Deficiency)

Condition: During testing of per diem reimbursements, it was noted that one out of the twenty-five payments did not agree to receipts that were submitted by an employee. The difference between what was paid to the employee and the amount per the receipts is \$5.50.

Criteria: Per NMAC 2.42.2.9 (3), "employees must submit receipts the actual meal and lodging expenses incurred." Receipts should agree to the amount reimbursed to the employee.

Effect: The County did not appropriately reimburse an employee for actual expenditures incurred, resulting in an overpayment of \$5.50.

Recommendation: We recommend that the County make efforts to have a second review of per diem reimbursements when receipts are involved and calculations are required. This will lower the risk that over- or under-payments are made.

Schedule of Findings and Questioned Costs - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

Current Year Findings - continued

10-2 PER DIEM VIOLATION (Control Deficiency) - continued

Management's Response: We agree with the finding. We did make an overpayment for per diem and this was due to a clerical error. We are going to implement the auditors' recommendation to have a second level of review for per diem reimbursements.

10-3 BUDGETS

Condition: The County had excess actual expenditures over revenues in the DWI Grant fund by \$27,734, Underage drinking by \$23, and Community DWI Program by \$2,525 as reported in the budget to actual schedules, which are prepared on a non-GAAP budgetary cash basis. It was noted that all funds reported above did not exceed budgeted expenditures. In addition, the DWI Grant fund had a grant receivable in the amount of \$45,104 reported on the combining balance sheet, which is reported on a modified accrual basis. This grant receivable covered the excess expenditure over revenues on the modified accrual basis of accounting. However, the budgetary basis of accounting for these budget schedules is the cash basis (non-GAAP). Thus, this grant receivable amount is not included as revenue on the cash basis budget schedules.

Criteria: Over expenditure at the legal level of compliance per Office of the State Auditor interpretation of SAO Rule 2.2.2.10P(1).

Cause: Timing differences related to reimbursable grants.

Effect: Potential overspending of funds, which could result in a deficit fund balance.

Recommendation: The County should prepare budget adjustment requests for transfers in from the general fund to cover timing differences related to grant reimbursements.

Management's Response: The County does not agree that it overspent these budgets. The budgets are based on actual grant agreements with the State. The County stayed within the budget per the grant agreement and the approved budget. The County submits quarterly reimbursement requests to the State and is reimbursed after expenditure. At year end, the prior quarter will always be outstanding. The County recognizes the receivable through the accrual basis, but since the budget is based on a cash basis it is not reflected in the budget to actual schedules.

Schedule of Findings and Questioned Costs - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

Current Year Findings - continued

10-4 DUE DATE OF AUDIT REPORT (Non-compliance)

Condition: The June 30, 2010 audit report was not considered received by the Office of the State Auditor (OSA) by the deadline of November 15, 2010. While the report was submitted by the County to the OSA on November 15, 2010, it was not considered received by the OSA. This was due to a disagreement between the Independent Public Accountant and the OSA regarding interpretation of the NM State Audit Rule. Because of this, it was not considered by the OSA as being filed timely as required by the State Auditor Rule NMAC 2.2.2.9.A.

Criteria: According to State Auditor Rule NMAC 2.2.2.9.A, the audited financial statements are due by November 15 following the fiscal year-end, thus requiring the June 30, 2010 report to be filed, and considered received by the OSA, by November 15, 2010.

Cause: The report was submitted by the County to the OSA on November 15, 2010, but it was not considered received by the OSA. This was due to a disagreement between the Independent Public Accountant and the OSA regarding interpretation of the NM State Audit Rule.

Effect: The County is not in compliance with State Auditor Rule NMAC 2.2.2.9.A for the fiscal year ended June 30, 2010.

Recommendation: We recommend the County submit its audit report to the OSA at least 20 days earlier than the deadline to ensure comments from the OSA are resolved and resubmitted before the deadline.

Management's Response: The County does not agree that this finding is a valid finding. The report was submitted to the OSA by the deadline of November 15, 2010. The OSA rejected the report based on an audit finding regarding the over-expenditure of funds. The County did not concur but wrote a management response to that audit finding stating the budgets were not over-expended as they were based on actual grant agreements and the approved budget.

The circumstance in which the audit finding of over-expenditure was written has occurred in the prior years and has not been reflected in previous OSA review comments. Had the auditors been aware this is an instance in which the OSA believes an audit finding is warranted, then the auditors would have written an audit finding during their normal course of the audit and the audit would have still been submitted to the OSA on time.

The County believes that the finding is due to inconsistencies in reviews by the OSA and is not due to a deficient audit report which merits a late audit finding.

Schedule of Findings and Questioned Costs - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

Prior Year Findings (Revised and Updated)

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

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

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

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

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

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

Management's Response: The County agrees that they need to purchase a new software program to achieve the creation of this report. The County is also in the process of seeking financing to purchase a new software program and intends to have something purchased and implemented in FY10/11.

04-6 PROPERTY TAX ACCOUNT – GENERAL LEDGER (Material Weakness) – 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 \$216,225.

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.

Schedule of Findings and Questioned Costs - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

Prior Year Findings (Revised and Updated) - continued

04-6 PROPERTY TAX ACCOUNT – GENERAL LEDGER (Material Weakness) – Repeated and Revised - continued

Recommendation: We recommend that the County spend the necessary time and resources to understand why there is a difference from the General ledger to the reconciled cash balance. This would include tracing and comparison of General Ledger activity to bank activity. Once the recurring difference is identified, a plan can be created to research all past differences until cash is fully reconciled.

Management's Response: The Treasurer's Office has responded that it continues to be difficult to reconcile the General Ledger because of the lack of past "financial transactions" that might have been transacted (or not transacted), but we have no way of tracing these matters with our local banks. Efforts are being made to try to access past financial transactions and they will continue to work on reconciling the ledger to the bank.

The Finance Office will work with the Treasurer's Office to resolve this issue. From an initial review, we believe the problem is being created by the system mis-posting reimbursements of overpayment of taxes.

05-6 SOLID WASTE ACCOUNTS RECEIVABLE (Material Weakness) – 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 \$1,634,651.

Criteria: Proper accounting procedures require the proper accounting and reconciling of all accounts. The DFA'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.

Schedule of Findings and Questioned Costs - continued

B. FINDINGS - FINANCIAL STATEMENT AUDIT - continued

Prior Year Findings (Revised and Updated) - continued

05-6 SOLID WASTE ACCOUNTS RECEIVABLE (Material Weakness) – Repeated and Revised - continued

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.

Management's Response: The Finance Office is working on this on a regular basis by trying to determine which accounts are not tied to properties, etc., and then requesting and making the necessary adjustments to remove the balances from the receivables.

08-3 YEAR END ACCRUALS NOT TRACKED ACCURATELY (Significant Deficiency) – Repeated and Revised

Statement of Condition: The recording of year end accounts payable did not include proper cutoff procedures. While the County has improved its accrual procedures, there were still items identified during the audit that were not properly accrued by County staff. These unrecorded items totaled \$27,321.

Criteria: Per NMAC 2.2.2.10 (Subsection K), good accounting practices should be followed at all times, and this includes the proper tracking of accruals for financial statement presentation.

Cause: The County is not accounting properly for year-end accruals.

Effect: Accruals, specifically accounts payable, would be understated by \$27,321.

Recommendation: We recommend the County implement a process in which they review disbursements made in the subsequent fiscal year to determine which period they belong to. If a subsequent disbursement was related to the current fiscal year, the County should ensure there is a proper accrual recorded.

Management's Response: The County will make better efforts to try and track all accruals. This is currently being tracked through a manual process. The current process is for the Accounts Payable Clerk track to record the transactions and the Finance Supervisor reviews listing to double check if accruals are properly posted.

Schedule of Findings and Questioned Costs - continued

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

08-4 SECTION 8 HOUSING CHOICE VOUCHER ELIGIBILITY DEVIATIONS -
CFDA No. 14.871 (Significant Deficiency) – Repeated and Revised

Statement of Condition: During eligibility testwork for single audit, Section 8 Housing Choice Voucher, we noted on deviations out of 58 items tested. This deviation relates to the annual reexamination of family income and composition.

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: The Section 8 Director will closely monitor the monthly re-exam schedule which the Housing Specialist will be responsible to work on throughout the month and report to the Director at the end of the month on status of all monthly re-exams. And take appropriate action for those files not completed.

Summary Schedule of Prior Year Audit Findings

STATUS OF PRIOR YEAR AUDIT FINDINGS

- 04-4 County Treasurer's Property Tax Schedule (Control Deficiency) – Repeated
- 04-6 Property Tax Account – General Ledger (Material Weakness) – Repeated and Revised
- 05-6 Solid Waste Accounts Receivable (Material Weakness) – Repeated and Revised
- 07-1 Finance Department Segregation of Duties (Significant Deficiency) – Cleared
- 07-5 Capital Assets Additions (Significant Deficiency) – Cleared
- 08-3 Year End Accruals Not Tracked Accurately (Significant Deficiency) – Repeated and Revised
- 08-4 Section 8 Housing Choice Voucher Eligibility Deviations – CFDA No. 14.871 (Significant Deficiency) – Repeated and Modified
- 09-1 Signatures on Employee Timesheets – Cleared
- 09-2 Capital Asset Disposals (Significant Deficiency) – Cleared
- 09-3 Detention Center Incoming Mail Procedures (Significant Deficiency) – Cleared
- 09-4 Unrecorded Debt (Significant Deficiency) – Cleared

STATE OF NEW MEXICO
SAN MIGUEL COUNTY

Exit Conference

An exit conference was held with the County on November 10, 2010. 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 Manager
Ryan Jones, Assurance Staff

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.