

State of New Mexico

Sierra County  
**FINANCIAL STATEMENTS**  
**WITH INDEPENDENT AUDITORS'**  
**REPORT THEREON**

For The Fiscal Year Ended June 30, 2009

Sierra County  
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 June 30, 2009

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Sierra County  
**DIRECTORY OF OFFICIALS**  
June 30, 2009

**Elected Officials**

James Coslin	Commissioner – Chair
Walter C. Armijo	Commissioner – Vice Chair
Alvin Campbell	Commissioner
Connie Greer	Clerk
Sandra K. Whitehead	Treasurer
Isabel Salazar	Assessor
Ronald D. Brown	Sheriff
Josie Zamora	Probate Judge

**Administrative Staff**

Janet Porter Carrejo	County Manager
Michelle Storm	Finance Director

MIKE STONE, C.P.A.  
LINDA STONE MCGEE, C.P.A.  
KAY STONE, C.P.A.  
JARROD MASON, C.P.A.  
KELLEY WYATT, C.P.A.

RYAN MONTOYA, C.P.A.

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### INDEPENDENT AUDITOR'S REPORT

Hector H. Balderas, State Auditor  
and  
Board of Commissioners  
Sierra County  
Truth or Consequences, New Mexico

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sierra County (County) as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the County's non-major governmental and enterprise funds presented as other supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2009, 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 *Governmental 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinions.

The County has not maintained records related to the initial estimated closure and post-closure costs related to its landfill, and has not performed annual reevaluation of such costs as required by generally accepted accounting principles. We were unable to satisfy ourselves as to the carrying value of the **estimated closure and post-closure costs**, stated at \$146,000, by other auditing procedures.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had landfill closure costs records been available for audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sierra County as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the

General and Road 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 of Sierra County as of June 30, 2009, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparisons for the non-major special revenue funds, the capital projects fund, and the enterprise funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2009, on our consideration of Sierra 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.

Sierra County has not presented management's discussion and analysis that is required by accounting principles generally accepted in the United States of America to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements and on the combining, individual fund and budgetary comparisons statements presented as other supplementary 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 basic financial statements of the County. In addition, the accompanying financial information listed as other supplemental data in the table of contents is also presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of expenditures of federal awards and the other supplemental data have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Stone, McGee & Co., CPAs*

October 28, 2009

Sierra County  
**STATEMENT OF NET ASSETS**  
June 30, 2009

<b>ASSETS</b>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
<b>Current:</b>			
Cash and investments	\$ 4,499,320	\$ -	\$ 4,499,320
Receivables, net	921,224	14,227	935,451
Due from other governments	80,515		80,515
Prepaid expenses	<u>93,923</u>		<u>93,923</u>
 Total current assets	 <u>\$ 5,594,982</u>	 <u>\$ 14,227</u>	 <u>\$ 5,609,209</u>
<b>Noncurrent assets:</b>			
Loan issue costs	\$ 12,377	\$ -	\$ 12,377
Capital assets, net	<u>16,903,382</u>	<u>113,229</u>	<u>17,016,611</u>
 Total noncurrent assets	 <u>\$ 16,915,759</u>	 <u>\$ 113,229</u>	 <u>\$ 17,028,988</u>
 Total assets	 <u>\$ 22,510,741</u>	 <u>\$ 127,456</u>	 <u>\$ 22,638,197</u>
 <b>LIABILITIES</b>			
<b>Current:</b>			
Accounts payable	\$ 591,796	\$ 4,752	\$ 596,548
Accrued liabilities	147,052	3,087	150,139
Deferred revenue	1,682,229		1,682,229
Current maturities of long-term debt	<u>600,901</u>		<u>600,901</u>
 Total current liabilities	 <u>\$ 3,021,978</u>	 <u>\$ 7,839</u>	 <u>\$ 3,029,817</u>
<b>Noncurrent:</b>			
Estimated liability for landfill postclosure costs	\$ -	\$ 146,000	\$ 146,000
Notes payable	7,678,511	-	7,678,511
Compensated absences	<u>101,465</u>	<u>2,774</u>	<u>104,239</u>
 Total noncurrent liabilities	 <u>\$ 7,779,976</u>	 <u>\$ 148,774</u>	 <u>\$ 7,928,750</u>
 Total liabilities	 <u>\$ 10,801,954</u>	 <u>\$ 156,613</u>	 <u>\$ 10,958,567</u>



Sierra County  
**STATEMENT OF NET ASSETS (concluded)**  
June 30, 2009

<b>NET ASSETS</b>	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Invested in capital assets, net of related debt	\$ 9,449,211	\$ 113,229	\$ 9,562,440
Restricted for:			
Capital projects	1,303		1,303
Other purposes	2,162,414		2,162,414
Unrestricted	<u>95,859</u>	<u>(142,386)</u>	<u>(46,527)</u>
 Total net assets	 <u>\$ 11,708,787</u>	 <u>\$ (29,157)</u>	 <u>\$ 11,679,630</u>

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

Sierra County  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental activities:			
General government	\$ 2,683,516	\$ 76,815	\$ 262,931
Public safety	3,662,199	111,099	1,366,901
Highways and streets	915,465	5,895	257
Health and welfare	2,539,448	121,848	208,720
Culture-recreation	33,470		2,708
Unallocated interest expense	306,043		
	<u>\$ 10,140,141</u>	<u>\$ 315,657</u>	<u>\$ 1,841,517</u>
Business-type activities:			
Landfill	\$ 208,335	\$ 109,534	\$ -
	<u>\$ 208,335</u>	<u>\$ 109,534</u>	<u>\$ -</u>
Total government	<u>\$ 10,348,476</u>	<u>\$ 425,191</u>	<u>\$ 1,841,517</u>
General revenues:			
Property taxes			
Gross receipts taxes			
Motor vehicle taxes			
Gas taxes			
Other taxes			
Interest and penalties on property taxes			
Interest and investment earnings			
Miscellaneous			
Gain on disposition of assets			
Transfers			
Total general revenues			
Change in net assets			
Net assets--beginning of year			
Net assets--end of year			

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

Net (Expenses) Revenue  
and Changes in Net Assets

Capital Grants and Contributions	Governmental Activities	Business -Type Activities	Total
\$ -	\$ (2,343,770)	\$ -	\$ (2,343,770)
	(2,184,199)		(2,184,199)
2,013,797	1,104,484		1,104,484
	(2,208,880)		(2,208,880)
	(30,762)		(30,762)
	(306,043)		(306,043)
<u>\$ 2,013,797</u>	<u>\$ (5,969,170)</u>	<u>\$ -</u>	<u>\$ (5,969,170)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (98,801)</u>	<u>\$ (98,801)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (98,801)</u>	<u>\$ (98,801)</u>
<u>\$ 2,013,797</u>	<u>\$ (5,969,170)</u>	<u>\$ (98,801)</u>	<u>\$ (6,067,971)</u>
	\$ 3,586,425	\$ -	\$ 3,586,425
	1,308,643	48,698	1,357,341
	276,553		276,553
	140,092		140,092
	741,656		741,656
	76,851		76,851
	54,674		54,674
	100,559		100,559
	104,285		104,285
	(53,302)	53,302	-
	<u>\$ 6,336,436</u>	<u>\$ 102,000</u>	<u>\$ 6,438,436</u>
	\$ 367,266	\$ 3,199	\$ 370,465
	<u>11,341,521</u>	<u>(32,356)</u>	<u>11,309,165</u>
	<u>\$ 11,708,787</u>	<u>\$ (29,157)</u>	<u>\$ 11,679,630</u>

Sierra County  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2009

	<u>General Fund</u>	<u>Road Fund</u>	<u>Other Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash and investments	\$ 1,251,812	\$ 452,059	\$ 2,795,449	\$ 4,499,320
Taxes receivable	543,268	50,257	290,600	884,125
Interfund receivable	48,718			48,718
Interest receivable	5,092		400	5,492
Due from other governments	80,515			80,515
NMFA receivable	17,123		14,484	31,607
Prepaid expenses	93,923			93,923
Total assets	<u>\$ 2,040,451</u>	<u>\$ 502,316</u>	<u>\$ 3,100,933</u>	<u>\$ 5,643,700</u>
<b>Liabilities and Fund Balance</b>				
Accounts payable	\$ 103,124	\$ 218,825	\$ 269,847	\$ 591,796
Accrued expenses	78,987	13,762		92,749
Interfund payable		26,152	22,566	48,718
Deferred revenue	2,107,304		225,676	2,332,980
Total liabilities	<u>\$ 2,289,415</u>	<u>\$ 258,739</u>	<u>\$ 518,089</u>	<u>\$ 3,066,243</u>
Fund balances:				
Reserved for capital projects	\$ -	\$ -	\$ 1,303	\$ 1,303
Unreserved, reported in:				
General fund	(248,964)			(248,964)
Special revenue funds		243,577	2,581,541	2,825,118
Total fund balance	<u>\$ (248,964)</u>	<u>\$ 243,577</u>	<u>\$ 2,582,844</u>	<u>\$ 2,577,457</u>
Total liabilities and fund balance	<u>\$ 2,040,451</u>	<u>\$ 502,316</u>	<u>\$ 3,100,933</u>	<u>\$ 5,643,700</u>

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

Sierra County  
**RECONCILIATION OF TOTAL GOVERNMENTAL  
 FUND BALANCE TO NET ASSETS OF  
 GOVERNMENTAL ACTIVITIES**

Total governmental fund balances	\$	2,577,457
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		16,903,382
Loan issue costs are other financing uses in the fund statements, but are capitalized and amortized over the life of the loan in the Statement of Net Assets		12,377
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Property taxes subject to the 60 day availability period		520,171
Intergovernmental grants subject to the 60 day availability period		130,580
Long-term liabilities are not reported in the funds:		
Notes payable		(8,279,412)
Accrued interest payable		(54,303)
Compensated absences		(101,465)
		(101,465)
<i>Net assets of governmental activities</i>	\$	11,708,787

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

Sierra County  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended June 30, 2009

	General Fund	Road Fund	Other Funds	Total Governmental Funds
<b>Revenues:</b>				
Property Taxes	\$ 2,331,164	\$ -	\$ 1,111,552	\$ 3,442,716
Gross Receipts Tax	886,182		422,461	1,308,643
MVD tax	128,920	147,633		276,553
Gas tax		140,092		140,092
Other taxes	3,708		5,501	9,209
Intergovernmental	2,300,333	731,966	1,725,693	4,757,992
Charges for services	194,587	5,000	112,166	311,753
Licenses and permits	3,904			3,904
Miscellaneous	139,516	6,551	85,918	231,985
	<b>\$ 5,988,314</b>	<b>\$ 1,031,242</b>	<b>\$ 3,463,291</b>	<b>\$ 10,482,847</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	\$ 2,264,805	\$ -	\$ 59,196	\$ 2,324,001
Public safety	1,359,186		1,809,941	3,169,127
Highways and streets	44,995	747,264		792,259
Health and welfare	97,239		2,102,372	2,199,611
Culture-recreation	22,740		6,250	28,990
Capital outlay	4,188,170	652,831	228,498	5,069,499
<b>Debt service:</b>				
Loan costs			12,377	12,377
Principal	142,317	82,013	170,064	394,394
Interest	190,989	31,535	73,445	295,969
	<b>\$ 8,310,441</b>	<b>\$ 1,513,643</b>	<b>\$ 4,462,143</b>	<b>14,286,227</b>
Revenues over (under) expenditures	\$ (2,322,127)	\$ (482,401)	\$ (998,852)	\$ (3,803,380)
<b>Other financing sources (uses):</b>				
Transfer in	27,515	91,788	578,992	698,295
Transfer out	(724,082)		(27,515)	(751,597)
Loan proceeds		450,000	837,526	1,287,526
	<b>\$ (3,018,694)</b>	<b>\$ 59,387</b>	<b>\$ 390,151</b>	<b>\$ (2,569,156)</b>
Fund balance July 1, 2008	<b>\$ 2,769,730</b>	<b>\$ 184,190</b>	<b>\$ 2,192,693</b>	<b>\$ 5,146,613</b>
Fund balance June 30, 2009	<b>\$ (248,964)</b>	<b>\$ 243,577</b>	<b>\$ 2,582,844</b>	<b>\$ 2,577,457</b>

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

Sierra County  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND TO THE  
 STATEMENT OF ACTIVITIES**

Net change in fund balances-total governmental funds \$ (2,569,156)

*Amounts reported for governmental activities in the statement of activities are different because:*

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated lives as depreciation expense.

Capital outlay	5,069,499
Depreciation expense	(1,315,401)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the net change for the year.

Property taxes subject to the 60 day availability period	143,709
Intergovernmental grants subject to the 60 day availability period	(170,132)

Bond and loan proceeds are reported as financing sources in the funds, In the Statement of Activities, however, issuing debt increased long term liabilities (1,287,526)

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Notes payable	394,394
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Loan issue costs are other financing uses in the fund statements, but are capitalized and amortized over the life of the loan in the Statement of Net Assets 12,377

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the gain on the dispositions. 104,285

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. This is the net change during the year. (10,074)

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in the funds. This is the net change during the year. (4,709)

<i>Change in Net Assets of Governmental Activities</i>	<b>\$ 367,266</b>
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The accompanying notes are an integral part of these financial statements.

Sierra County  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Property taxes	\$ 2,370,166	\$ 2,370,166	\$ 2,359,069	\$ (11,097)
Taxes GRT	1,309,341	1,309,341	626,315	(683,026)
MVD taxes	184,650	184,650	128,267	(56,383)
Cigarette tax	784	784	3,767	2,983
Licenses and permits	5,783	5,783	3,904	(1,879)
Intergovernmental	7,842,927	7,842,927	5,778,810	(2,064,117)
Charges for services	429,161	429,161	194,587	(234,574)
Miscellaneous	197,829	197,829	126,594	(71,235)
	<u>\$ 12,340,641</u>	<u>\$ 12,340,641</u>	<u>\$ 9,221,313</u>	<u>\$ (3,119,328)</u>
Expenditures:				
Current:				
General government	\$ 2,687,866	\$ 2,764,247	\$ 2,510,726	\$ 253,521
Public safety	1,827,788	1,837,788	1,372,105	465,683
Health and welfare	98,867	109,867	92,302	17,565
Public works	52,876	52,876	49,175	3,701
Culture - recreation	38,200	45,900	25,301	20,599
Capital outlay	6,387,256	6,763,579	4,183,502	2,580,077
	<u>\$ 11,092,853</u>	<u>\$ 11,574,257</u>	<u>\$ 8,233,111</u>	<u>\$ 3,341,146</u>
Revenues over (under) expenditures	\$ 1,247,788	\$ 766,384	\$ 988,202	\$ 221,818
Other financing sources (uses):				
Transfers in	443,225	443,225	827,485	384,260
Transfers out	(1,346,464)	(1,346,464)	(1,662,985)	(316,521)
Loan proceeds	230,806	230,806	205,470	(25,336)
Net change in fund balance after other financing sources (uses)	\$ 575,355	\$ 93,951	\$ 358,172	\$ 264,221
Fund balance July 1, 2008	<u>452,352</u>	<u>452,352</u>	<u>540,129</u>	<u>87,777</u>
Fund balance June 30, 2009	<u>\$ 1,027,707</u>	<u>\$ 546,303</u>	<u>\$ 898,301</u>	<u>\$ 351,998</u>



Sierra County  
**ROAD FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>				
Gas tax	\$ 174,558	\$ 174,558	\$ 151,876	\$ (22,682)
MVD tax	221,354	221,354	146,439	(74,915)
Intergovernmental	422,517	825,518	701,966	(123,552)
Charges for services			5,000	5,000
Miscellaneous	1,000	1,000	6,551	5,551
<b>Total revenues</b>	<b>\$ 819,429</b>	<b>\$ 1,222,430</b>	<b>\$ 1,011,832</b>	<b>\$ (210,598)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Highways and streets	\$ 955,531	\$ 1,358,532	\$ 620,956	\$ 737,576
Capital outlay	578,364	578,364	284,192	294,172
<b>Total expenditures</b>	<b>\$ 1,533,895</b>	<b>\$ 1,936,896</b>	<b>\$ 905,148</b>	<b>\$ 1,031,748</b>
Revenues over (under) expenditures	\$ (714,466)	\$ (714,466)	\$ 106,684	\$ 821,150
<b>Other financing sources (uses):</b>				
Transfers in	509,180	509,180	91,788	(417,392)
Transfers out				-
Net change in fund balance after other financing sources (uses)	\$ (205,286)	\$ (205,286)	\$ 198,472	\$ 403,758
Fund balance July 1, 2008	253,587	253,587	253,587	-
Fund balance June 30, 2009	<u>\$ 48,301</u>	<u>\$ 48,301</u>	<u>\$ 452,059</u>	<u>\$ 403,758</u>

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

Sierra County  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
June 30, 2009

<b>Assets</b>	<u>Landfill</u>
Current:	
Cash	\$ -
Accounts receivable	5,675
Taxes receivable	<u>8,552</u>
Total current assets	<u>\$ 14,227</u>
Noncurrent:	
Property, plant and equipment	\$ 342,634
Less accumulated depreciation	<u>(229,405)</u>
Net capital assets	<u>\$ 113,229</u>
Total assets	<u>\$ 127,456</u>
 <b>Liabilities</b>	
Current:	
Accounts payable	\$ 4,752
Accrued expenses	<u>3,087</u>
Total current liabilities	<u>\$ 7,839</u>
Noncurrent:	
Estimated liability for landfill postclosure costs	\$ 146,000
Compensated absences	<u>2,774</u>
Total non-current liabilities	<u>\$ 148,774</u>
Total liabilities	<u>\$ 156,613</u>
 <b>Net Assets</b>	
Invested in capital assets	\$ 113,229
Unrestricted	<u>(142,386)</u>
Total net assets	<u>\$ (29,157)</u>

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

Sierra County  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
For the Fiscal Year Ended June 30, 2009

	<u>Landfill</u>
Operating revenues:	
Charges for services	109,534
Total operating revenues	\$ 109,534
Operating expenses:	
Personnel	\$ 102,094
Operating	102,458
Depreciation	3,783
Total operating expenses	\$ 208,335
Operating income (loss)	\$ (98,801)
Non-operating revenue (expense):	
Taxes GRT	\$ 48,698
Miscellaneous	-
Total nonoperating revenue (expense)	\$ 48,698
Income (loss) before transfers	\$ (50,103)
Other:	
Transfer in	53,302
Transfer out	-
Change in net assets	\$ 3,199
Net assets, beginning of year	(32,356)
Net assets, end of year	\$ (29,157)

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

Sierra County  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
For the Fiscal Year Ended June 30, 2009

	<u>Landfill</u>
Cash flows from operating activities:	
Receipts from customers	\$ 112,178
Payments to suppliers	(107,133)
Payments to employees	(105,477)
	<u>(105,477)</u>
Net cash provided (used) by operating activities	\$ (100,432)
Cash flows from noncapital financing activities:	
Dedicated gross receipts	\$ 47,130
Miscellaneous revenues	
Transfers from other funds	53,302
	<u>53,302</u>
Net cash provided (used) by noncapital financing activities	\$ 100,432
Cash flows from capital and related financing activities:	
Purchase of capital assets	\$ -
Net increase (decrease) in cash	\$ -
Cash, beginning of year	-
	<u>-</u>
Cash, end of year	\$ -
	<u>-</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	\$ (98,801)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	3,783
Changes in assets and liabilities:	
Accounts receivable	2,644
Accounts payable	(4,675)
Compensated absences payable	(2,878)
Accrued expenses	(505)
	<u>(505)</u>
Net cash provided (used) by operating activities	\$ (100,432)
	<u>(100,432)</u>

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

Sierra County  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
June 30,2009

**Assets**

Cash and investments	\$ 157,158
Due from other governments	25,185
Receivables	<u>758,193</u>
 Total assets	 <u><u>\$ 940,536</u></u>

**Liabilities**

Due to others	<u>\$ 940,536</u>
 Total liabilities	 <u><u>\$ 940,536</u></u>

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

Sierra County  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2009

Note 1      Summary of Significant Accounting Policies

**A. GENERAL**

The County of Sierra, a political subdivision of the State of New Mexico, operates under the commissioner-manager form of government. The County provides the following authorized services: public safety, highways and streets, sanitation, health and welfare, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The County complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. For enterprise funds, GASB Statement No.'s 20 and 34 provide the County the option of electing to apply FASB pronouncements issued after November 30, 1989. The County has elected not to apply those pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. For the fiscal year ended June 30, 2004, the County implemented the new financial reporting requirements of GASB Statement No. 34. As a result, an entirely new financial presentation format has been implemented.

**B. FINANCIAL REPORTING ENTITY**

The County's basic financial statements include the accounts of all County operations. The criteria for include organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Based on the aforementioned criteria, the County has no component units.

## C. BASIS OF PRESENTATION

### *Governmental-wide Financial Statements*

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the business-type activities of the County and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect expenses for centralized services and administrative overhead are not allocated, but are presented as separate functions. Program revenues include charges paid by recipients of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational and capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which a program or business segment is self-financing or draws from the general revenues of the County.

### *Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category of type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

## **Governmental Funds**

### *General Fund*

The General Fund is the primary operating fund of the County and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

### *Special Revenue Funds*

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

### *Capital Project Fund*

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items.

### *Debt Service Fund*

The Debt Service Fund accounts for the accumulation of financial resources for the payment of interest and principle on the general obligation bonds of the County other than debt service payments made by enterprise funds. Ad valorem taxes are used for the payment of principal and interest on the County's general obligation bonds.

## **Proprietary Fund**

### *Enterprise Fund*

Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

## **Fiduciary Funds (Note included in government-wide statements)**

### *Agency Funds*

Agency funds account for assets held by the County in a purely custodial capacity. The reporting entity includes four agency funds. Since agency funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The Agency funds area follows:

Property Tax Fund – to account for the undistributed property taxes both received and yet to be received which are to be distributed to the various taxing entities at a later date.

Prisoners Fund – to account for the deposits and expenditures from prisoners' private funds, used to buy personal items at the commissary.



Cell Phone Zoning – to account for the deposits required on cell phone towers, to be used for repairs.

Spaceport – to account for gross receipts taxes collected and remitted to the Spaceport authority.

### *Major Funds*

These funds classified as major are as follows:

General – accounts for all activities except those accounted for in other funds.

Road Fund – accounts for the activities associated with the maintenance of County roads.

Proprietary:

Landfill – accounts for activities associated with refuse disposal, including the operation of a landfill.

### *Non-major Funds*

Fund description for all funds are included in the “Other Supplementary Information” section of this report.

## **D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

### **Measurement Focus**

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item “b” below:

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated

with their activities are reported. Proprietary fund equity is classified as net assets.

- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

### **Basis of Accounting**

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Derived tax revenues are recognized when the exchange takes place, and grants are recognized when all eligibility requirements are met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available”. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for long-term debt principal and interest which are reported when due.

All proprietary funds and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

## **E. BUDGETS**

Budgets for the General, Special Revenue, Debt Service, Capital Projects, and Enterprise Funds are prepared by management and approved by the local council and the New Mexico Department of Finance and Administration.

These budgets are prepared on the NON-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget on a by fund basis. Budgets may be amended in two ways. If a budget transfer is necessary within a fund, this may be accomplished with only local Commission approval. If a transfer between “funds” or a budget increase is required, approval must also be obtained from the Department of Finance and Administration.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

## **F. CASH AND INVESTMENTS**

For the purpose of the Statement of Net Assets, “cash and investments’ includes all demand, savings accounts, and certificates of deposits of the County. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of six months or less.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price.

State statutes authorize the government to invest in interest bearing accounts with local financial institutions, direct obligations of the U.S. Treasury or New Mexico political subdivisions, and the State Treasurer’s investment pool.

New Mexico Statutes require that financial institutions with public monies on deposit pledge collateral, to the owner of such public monies, in an amount not less than 50% of the public monies held on deposit. Collateral pledged is held in safekeeping by other financial institutions, with safekeeping receipts held by the County. The pledged securities remain in the name of the financial institution. Premiums (discounts) on investments are amortized by the interest method, or methods approximating the interest method.

## **G. INTERFUND RECEIVABLES AND PAYABLES**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Short-term inter-fund loans are reported as “inter-fund receivables or payables”. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

## **H. RECEIVABLES**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and periodic aging of accounts receivable. Major receivable balances for the governmental activities include gross receipts and use taxes, franchise taxes, and grants. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as gross receipts tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary

fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

## **I. CAPITAL ASSETS**

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

### *Government-wide Statements*

In the government-wide financial statements, capital assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

The County has retroactively reported all infrastructure assets. The County has always maintained a capitalization policy which included infrastructure assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over assets estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

· Buildings	25-50 years
· Improvements	10-50 years
· Machinery and Equipment	03-10 years
· Infrastructure	25-75 years
· Software and Library	5-10 years

### *Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements. Assets acquired with an original cost of \$5,000 or more are capitalized. Construction period interest is capitalized in proprietary funds.

## **J. LONG-TERM DEBT**

The accounting treatment of long-term debt depends on whether the assets acquired with the debt are used in governmental fund operations or proprietary fund

operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and bonds payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

#### **K. COMPENSATED ABSENCES**

The County's policies regarding vacation time permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

#### **L. EQUITY CLASSIFICATIONS**

##### *Government-wide Statements*

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assts.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

### *Fund Statements*

Equity is classified as fund balance and displayed in two components.

- a. Reserved – Consists of governmental fund balances that are not appropriable, legally segregated for specific usage, or commitments to outside third parties.
- b. Unreserved – Consists of designations of amounts representing tentative management plans for governmental fund balances, but subject to change (Designated), and undesignated, for which no restrictions or designations exist.

## **M. REVENUES, EXPENDITURES, AND EXPENSES**

### *Gross Receipts Tax*

The County levies a gross receipts tax on taxable gross receipts within the County. The rate includes both County and State assessments. The tax is collected by the New Mexico Taxation and Revenue Department and remitted to the County in the month following receipt by the Department. The Department receives the tax one month after collection by vendors. Included in this tax is amounts dedicated to intercept agreements, and those dedicated amounts are recorded directly in those funds.

Gross receipts tax collected by the State in June and July (which represent May and June transactions) and received by the County in July and August have been accrued and are included under the caption "Taxes Receivable".

### *Property Tax*

Property taxes attach as an enforceable lien on property as of January 1. Property tax rates for the year are set no later than September 1 each year by the Secretary of Finance and Administration. The rates of tax are then used by County Assessors to develop the property tax schedule by October 1. Taxes are payable in equal semiannual installments by November 10 and April 10 of the subsequent year and become delinquent 30 days later. Taxes are collected on behalf of the County by the County Treasurer, and are remitted to the County in the month following collection. Because the Treasurer of the County in which the county is located is statutorily required to collect taxes as an intermediary agency for all forms of government, distribution of taxes are made through the applicable county to the County.

The County is permitted to levy taxes for general operating purposes based on a state formula, per \$1,000 of taxable value for both residential and nonresidential property, taxable value being defined as one third of the fully assessed value. In addition, the County is allowed to levy taxes for payments of bond principal and interest in amounts approved by voters of the County. The County's total tax rate to finance general government services for the year ended June 30, 2009 was \$11.166 per \$1,000 for non-residential property and \$9.393 for residential property. The County's tax rate for debt service was \$.00 per \$1,000 for both residential and nonresidential property.

Property tax receivables are recognized net of estimated refunds and uncollectible amounts in the period for which the taxes are levied, even if they are not available.

Property taxes not collected within 60 days of year-end are reported as deferred revenue in the fund statements.

*Operating Revenues and Expenses*

Operating revenue of governmental funds includes fees to users and license fees. Operating grants include operating-specific and discretionary grants while capital grants reflect capital-specific appropriations.

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

*Expenditures/Expenses*

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Fund – By Character: Current (further classified by function)  
Debt Service  
Capital Outlay  
Proprietary Fund – By Operating and Non-operating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

The County first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. The County does not allocate indirect costs.

**N. INTER-FUND TRANSFERS**

Permanent reallocation of resources between funds of the reporting entity are classified as inter-fund transfers. For the purposes of the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

**O. USE OF ESTIMATES**

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

Note 2 Custodial Credit Risk

Custodial credit risk is the risk in the event of a bank failure the Governments deposits may not be returned to it. The County does not have a deposit policy for credit risk beyond that disclosed in Note 1. As of June 30, 2009, \$-0- of the County's bank balance of \$3,067,880 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized \$ -0-

The cash on deposit with NMFA and the Bank of Albuquerque, is, in effect, loan payments made by the County but not yet disbursed. Such deposits are subject to the collateral requirements of NMFA. Such deposits total \$1,550,035.

Note 3 Investments

As of June 30, 2009, the County had the following investments:

Investment Type

GNMA Pools	\$ 165,742
U.S. Government Money Market	<u>31,013</u>
	<u>\$ 196,755</u>

*Interest Rate Risk* – The County invests solely in pools holding government-backed securities, and is not subject to interest rate risk.

*Credit Risk* – The County invests only in direct obligations of the United States, or securities backed by the United States, and is not subject to credit risk.

*Concentration of Credit Risk* – The County places no limits on the amount it may invest in any one issuer. The County currently has 100% invested in GNMA Securities and the U.S. Government Money Market.

*Custodial Credit Risk* – The County is not subject to custodial credit risk for its investments, since all are held in the name of the County.

Note 4 Receivables

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Accounts receivable:		
Services (net)	\$ <u>-0-</u>	\$ <u>5,675</u>
NMFA receivable	\$ <u>31,607</u>	\$ _____
Property taxes	\$ 557,812	\$
Gross receipts tax	252,433	8,552
Motor Vehicle Taxes	49,509	
Gas Tax	24,022	



Lodgers Tax	<u>349</u>	<u>          </u>
Total taxes receivable	\$ 884,125	\$ 8,552
Interest receivable	\$ 5,492	\$ -0-
Total	<u>\$ 921,224</u>	<u>\$ 14,227</u>

The County believes all receivables are collectible, therefore, no allowance for doubtful accounts has been established.

Note 5 Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land and land improvements	\$ 343,630	\$ 671,740	\$	\$ 1,015,370
Construction in progress	<u>2,883,597</u>	<u>2,917,872</u>	<u>          </u>	<u>5,801,469</u>
Total capital assets not being depreciated	<u>\$ 3,227,227</u>	<u>\$ 3,589,612</u>	<u>\$ -0-</u>	<u>\$ 6,816,839</u>
Capital assets being depreciated:				
Road network, levies and bridges	\$ 17,441,265	\$	\$	\$17,441,265
Buildings and improvements	7,559,048	440,142		7,999,190
Equipment/vehicles/machinery	<u>4,102,003</u>	<u>1,039,745</u>	<u>-0-</u>	<u>5,141,748</u>
Total capital assets being depreciated	<u>\$ 29,102,316</u>	<u>\$ 1,479,887</u>	<u>\$ -0-</u>	<u>\$30,582,203</u>
Less accumulated depreciation for:				
Road network/levies/bridges	\$11,413,859	\$ 246,872	\$	\$11,660,731
Buildings and improvements	4,874,551	621,034		5,495,585
Equipment/vehicles/machinery	<u>2,891,849</u>	<u>447,495</u>	<u>          </u>	<u>3,339,344</u>
Total accumulated depreciation	<u>\$19,180,259</u>	<u>\$ 1,315,401</u>	<u>\$ -0-</u>	<u>\$20,495,660</u>
Total capital assets being depreciated, net	<u>\$ 9,922,057</u>	<u>\$ 164,486</u>	<u>\$ -0-</u>	<u>\$10,086,543</u>
Governmental activity, capital assets, net	<u>\$13,149,284</u>	<u>\$ 3,754,098</u>	<u>\$ -0-</u>	<u>\$16,903,382</u>

**Other business-type activity programs:**

	<u>Balance</u> <u>July 1, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2009</u>
Capital assets not being depreciated:				
Land and land improvements	\$ 3,975	\$ -0-	\$ -0-	\$ 3,975
Total capital assets not being depreciated	\$ 3,975	\$ -0-	\$ -0-	\$ 3,975
Capital assets being depreciated:				
Equipment/vehicles/machinery	\$ 338,659	\$ -0-	\$ -0-	\$ 338,659
Total capital assets being depreciated	\$ 338,659	\$ -0-	\$ -0-	\$ 338,659
Less accumulated depreciation:				
Equipment/vehicles/machinery	\$ 225,622	\$ 3,783	\$ -0-	\$ 229,405
Total accumulated depreciation	\$ 225,622	\$ 3,783	\$ -0-	\$ 229,405
Total capital assets being depreciated, net	\$ 113,037	\$ 3,783	\$ -0-	\$ 109,254
Other business-type activity Programs capital assets, net	<u>\$ 117,012</u>	<u>\$ 3,783</u>	<u>\$ -0-</u>	<u>\$ 113,229</u>

Depreciation was charged to the Governmental Activities as follows:

General Government	\$ 359,055
Public Safety	489,626
Highways and Streets	122,403
Health and welfare	339,837
Culture-recreation	<u>4,480</u>
	<u>\$ 1,315,401</u>

**Note 6 Landfill Post-closure Costs**

State and Federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an

operating expense in each period based on landfill capacity used as of each balance sheet date.

Estimated closure and post-closure costs	<u>\$ 292,000</u>
Landfill capacity utilized	50%
Closure costs recognized to date	\$ 292,000
Cost incurred to date	<u>146,000</u>
Remaining post-closure liability	<u>\$ 146,000</u>

The County is currently seeking approval of an expansion of the landfill, which would include the acquisition of land owned by the Bureau of Land Management. The landfill capacity utilized has been estimated assuming the expansion will be approved.

Note 7 Accrued Expenses

At June 30, 2009, accrued expenses consisted of the following:

	<u>Governmental Activities</u>	<u>Business Type Activities</u>
Accruals payroll and benefits	\$ 92,749	\$ 3,087
Accrue interest payable	<u>54,303</u>	<u>          </u>
	<u>\$ 147,052</u>	<u>\$ 3,087</u>

Note 8 Long-Term Debt

Changes in governmental funds long-term debt is as follows:

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>	<u>Due Within One Year</u>
Notes payable	<u>\$7,490,565</u>	<u>\$1,287,526</u>	<u>\$ (498,679)</u>	<u>\$8,279,412</u>	<u>\$ 600,901</u>

The County of Sierra has entered into several financing agreements to purchase equipment. The terms of the financing agreements contain interest rates ranging from .90% to 8.35%. The repayment of principal ranges from monthly payments to annual payments with various due dates depending on the financing agreement terms and conditions. These financing arrangements pledge various State grants, such as Fire Protection Funds, and Gross Receipts taxes for payment of the loans.

On September 3, 1997, the County of Sierra entered into a loan agreement with New Mexico Finance Authority to borrow \$2,102,394, for the County's percentage, to purchase and renovate the Sierra Vista Hospital. Under the loan agreement, the County has pledged portions of its one-fourth (1/4) of one percent (1%) hospital emergency gross receipts tax imposed under the County Local Option Gross Receipts Taxes Act as authorized by Section 7-20E-12.1, NMSA 1978 and County Ordinance 97-005. The tax collections will be intercepted by the Department of Taxation and Revenue and forwarded monthly to the New Mexico Finance Authority for payment of this loan. Should the gross receipts tax collected be insufficient to meet the loan obligation as established, the loan payment will be reduced for that month. The loan terms and conditions call for interest rates ranging from 4.05% to 5.50% and are amortized over twenty (20) years.

The ordinance requires that a reserve of \$155,090 be established and maintained.

	<u>Required</u>	<u>Balance in</u>
	<u>Amount</u>	<u>Account</u>
At June 30, 2009	\$ 155,090	\$ 318,140

The annual principal payment requirements for notes outstanding as of June 30, 2009, in the general long-term account group, are summarized as follows:

	<u>Principal</u>	<u>Interest</u>
	<u>Payment</u>	<u>Payment</u>
2010	\$ 600,901	\$ 314,633
2011	418,119	295,358
2012	387,543	279,790
2013	402,569	265,294
2014	699,783	242,049
2015-2019	1,743,760	951,989
2020-2024	1,477,008	673,844
2025-2029	1,568,336	389,554
2030-2034	<u>981,393</u>	<u>78,530</u>
	<u>\$ 8,279,412</u>	<u>\$ 3,491,041</u>

Compensated absences in governmental funds were as follows:

	<u>Balance</u>		<u>Balance</u>	<u>Due in</u>
	<u>July 1, 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2009</u>
				<u>One Year</u>
Compensated absences	\$ 96,756	\$ 109,793	\$ (105,084)	\$ 101,465
				<u>\$ -0-</u>

Changes in Proprietary Funds Long-Term Debt were as follows during the year ended June 30, 2009:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Due in</u> <u>One Year</u>
Compensated absences	\$ 5,652	\$ 2,525	\$ (5,403)	\$ 2,774	\$ -0-

All compensated absences are considered non-current. Compensated absences are paid out of the fund that salaries for the respective employee are paid out of provided there are funds available. Otherwise, they are paid out of the general fund.

Note 9 Pension Plan – Public Employees Retirement Association

*Plan Description*

Substantially all of the Sierra 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](http://www.pera.state.nm.us).

*Funding Policy*

Plan members are required to contribute 9.15% to 12.35%, depending upon the plan, i.e., state general, state hazardous duty, state police and adult correctional officers, municipal general, municipal police, municipal fire, municipal detention officer of their gross salary. The County is required to contribute 9.15% to 18.5% depending upon the plan of the gross covered salary. The contribution requirements of plan members and the County of Sierra are established in State statute under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The County of Sierra's contributions to PERA for the fiscal years ending June 30, 2009, 2008, and 2007 were \$224,077, \$219,198, and \$202,259 respectively, which equal the amount of the required contributions for each fiscal year.

Note 10 Retiree Health Care Act Contributions

The County does not participate in the Retiree Health Care Act.

Note 11 Contingent Liabilities

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

Note 12 Subsequent Events

The County has contracts and grant awards for construction projects in various stages of completion. Such contracts, funded principally by federal and state agencies, constitute future commitments.

Note 13 Risk Management

The County is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other agencies in the State and obtained insurance through the New Mexico Self Insurers Fund, a public risk pool currently operating as a common risk management and insurance program for local governments. The County pays an annual premium to New Mexico Self Insurers Fund for its general insurance coverage.

Note 14 Budgetary Reconciliations

The Statements of Revenues, Expenditures and Changes in Fund Balance Budget (NON-GAAP Budgetary Basis) and Actual present comparisons of legally adopted budgets with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of changes in fund balance for the General and Major Special Revenue Funds for the year ended June 30, 2009 is as follows:

	<u>General</u>	<u>Road Fund</u>
Changes in fund balance (GAAP Basis)	\$(3,018,694)	\$ 59,387
Revenue accruals	3,232,999	(19,410)
Expenditure accruals	77,330	608,495
Net change in other financing sources	<u>66,537</u>	<u>(450,000)</u>
Changes in fund balance (NON-GAAP) Budgetary Basis	<u>\$ 358,172</u>	<u>\$ 198,472</u>

Note 15 Fund Balance Deficits

The County had fund balance deficits in the following funds:

General (\$248,964), Landfill (\$29,157), Juvenile Probation (\$5,865), Corrections (\$152,778), and Disaster Assistance, (\$22,637)). These deficits are caused by the accrual of accounts payable, and the modified accrual basis limitation of 60 days on the accrual of revenue. As revenue is received and liabilities liquidated, the deficit fund balance will be reduced.

Note 16 Deferred Compensation Plan

The government offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the employee or their beneficiary.

Investments are managed by the plan's trustee with various investment options, or a combination thereof. The choice of investment option is made by the participants.

Note 17 Inter-fund Activity

Inter-fund balances at June 30, 2009, consisted of the following:

	<u>Inter-Fund Payable</u>		
<u>Inter-Fund Receivable</u>	<u>Receivable</u>	<u>Payable</u>	<u>Total</u>
General Fund	<u>\$ 26,152</u>	<u>\$ 22,566</u>	<u>\$ 48,718</u>

These amounts are expected to be repaid within one year, and the advances were made to meet operating expenses.

Inter-fund transfers were as follows during the year ended June 30, 2009:

<u>Transfers To</u>	<u>Transfers From</u>		
	<u>General</u>	<u>Other Funds</u>	<u>Total</u>
General Fund	\$	\$ 27,515	\$ 27,515
Road Fund	91,788		91,788
Other Funds	578,992		578,992
Proprietary Fund	<u>53,302</u>		<u>53,302</u>
	<u>\$ 724,082</u>	<u>\$ 27,515</u>	<u>\$ 751,597</u>

The transfers were made to fund debt service payments, fund construction projects and provide operating funds.

Note 18 Restricted Net Assets

Net assets restricted for other purposes consist of special revenue fund balances which are restricted by legislation to specific purposes. The restricting legislation is listed in the fund descriptions appearing at the beginning of Other Supplementary Information. Major restrictions are as follows:

Road Fund	\$ 243,577
Hospital GRT Fund	479,898
County Indigent Fund	258,963
Rural Fire Departments	845,781
Flood damage	128,884
Other	<u>205,311</u>
	<u>\$ 2,162,414</u>

Note 19 Operating Leases

On March 31, 2007, the County entered into an operating lease with Wagner Equipment Company for a CAT 140H Grader. The agreement calls for monthly payments of \$1,795 made up of rent \$1,680 and gross receipts tax of \$115. The agreement also calls for additional payment in the amount of \$10.20 for every hour over the allotted 176 hours per month. Amount paid in 2008-2009 was \$19,020.

This lease was terminated during the fiscal year 2008-2009.



## SIERRA COUNTY

### Special Revenue Funds

Farm and Range Fund – to account for the operations of farm and range activities, including soil and water conservation, rodent and predatory animal control, poisonous and noxious weed control, and livestock parasite control. Financing is primarily from state-shared revenues through the Taylor Grazing Act. Authority is NMSA 6-11-6.

Recreation Fund – to account for the operations and maintenance of County-owned recreation facilities. Financing is provided by the County's share of cigarette tax. State law requires the use of these cigarette taxes to be used for recreation purposes. The authority to create this fund was given by New Mexico Statute 7-12-15.

County Indigent Fund – to account for expenditures incurred in providing services for the care of indigent. Financing is provided by the County's share of gross receipts tax and may be used for that purpose. Authority NMSA 24-10A-1.

Treasurers Fee – to account for the fees collected by the County Treasurer to be used exclusively for the purchase of capital assets for the Treasurer's Office, as authorized by commission action and New Mexico Statutes.

Hospital GRT – to account for funds provided by New Mexico Emergency County Hospital gross receipts tax. The Authority is a local ordinance to assess the gross receipts tax.

Enhanced 911 Addressing Grant Fund – to account for funds provided by the State of New Mexico under the Enhanced 911 Act (NMSA 1978 Sections 63-9D-1). To be used to improve the physical addressing and provide faster responses in case of emergency.

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

Lodgers' Tax – to account for collections of a lodgers' tax, the proceeds of which are used for advertisement of local attractions. Authority NMSA 3-38-13 to 3-38-24.

Mednet Emergency Medical Services – to account for revenues, grants received, and expenditures incurred in providing emergency medical services to County residents. Sources of funds are the State of New Mexico Health and Environment Department, Emergency Medical Services Bureau. Authority is NMSA 24-10A-1 to 24-10A-10.

Law Enforcement Protection – to account for the operations of a grant from the State of New Mexico through Law Enforcement Protection Fund Act for the purpose of maintenance and improvement of law enforcement equipment, and may be used only for that purpose. Authority is NMSA 23-13-1.

Correction Fees – to account for fees assessed for the housing of prisoners and is used for maintenance of the County jail.

Juvenile Probation – to account for the resources to be utilized to enhance juvenile probation. Authority is the County Commission.

Maternal Child Health Grant – to account for funds provided by the New Mexico Department of Health for maternal child health care. Authority Chapter 24, Article 1B, Section 7 NMSA 1978 and Section 9-7-6E, NMSA 1978.

Clerk Equipment Fee Fund – to account for fees collected by the County Clerk to be used exclusively for the purchase of capital assets for the Clerk’s Office, as authorized by the New Mexico State Statutes (NMSA 14-8-12.2B).

Flood Damage – to account for taxes levied on property in Sierra County to establish the Office of County Flood Commissioner as authorized in Section 4-50-1 NMSA 1978 and County Resolution 88-069.

Fire Departures - to account for grants received and expenditures incurred in providing fire protection to residents. Financing is provided from the County’s share of fire allotment issued by the State Fire Marshall under NMSA 59-53-1. Such revenue provides for payment of all current operating costs and may be used only for that purpose. Expenditures related to emergency medical services, funded in part by state grants under the Authority of NMSA 24-10A-1 to 24-10A-10 are accounted for in the individual fire funds.

Section 12-10-5 Local Civil Emergency Preparedness (Disaster Assistance) – The governing bodies of political subdivisions of the State are responsible for the civil emergency preparedness of their respective jurisdictions. Each political subdivision is authorized to establish, by ordinance or resolution, a local office of civil emergency preparedness as an agency of the local government, and responsible to the governing body, in accordance with the state civil emergency preparedness plan and program. The governing body, subject to approval of the state director, shall appoint every local coordinator of civil emergency preparedness and such local coordinator shall have direct responsibility for carrying out the civil emergency preparedness programs of the political subdivision. He shall coordinate the civil emergency preparedness activities of all local government department and agencies, and shall maintain liaison with and cooperate with civil preparedness agencies and organizations of other political subdivisions and of the state government. Each local organization shall perform civil preparedness functions within territorial limits of the political subdivision within which it is organized.

Road Fund – to account for the activities associated with the maintenance of County roads.

## Capital Projects Funds

Butte City - to account for the Federal Funds to be used solely for capital planning. Authority is the Community Development Block Grant Program, P.L. 93-383.

## Agency Funds

Property Tax Fund – to account for the undistributed property taxes both received and yet to be received which are to be distributed to the various taxing entities at a later date.

Prisoners Fund – to account for the deposits and expenditures from prisoners' private funds, used to buy personal items at the commissary.

Sierra County  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
For the Fiscal Year Ended June 30, 2009

	Special Revenue Funds			
	Recreation	911 Addressing	Reappraisal	Lodgers Tax
<b>Assets</b>				
Cash and investments	\$ 1,633	\$ 22,775	\$ 113,500	\$ 5,375
Taxes receivable				349
Interest receivable				
NMFA receivable				
Total assets	\$ 1,633	\$ 22,775	\$ 113,500	\$ 5,724
<b>Liabilities and Fund Balances</b>				
Accounts payable	\$ -	\$ 1,121	\$ 43	\$ 700
Accrued expenses				
Interfund payable				
Deferred revenue				
Total liabilities	\$ -	\$ 1,121	\$ 43	\$ 700
Fund balances:				
Reserved for capital projects	\$ -	\$ -	\$ -	\$ -
Unreserved	1,633	21,654	113,457	5,024
Total fund balances	\$ 1,633	\$ 21,654	\$ 113,457	\$ 5,024
Total liabilities and fund balances	\$ 1,633	\$ 22,775	\$ 113,500	\$ 5,724

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

Special Revenue Funds

<u>Mednet EMS</u>	<u>Juvenile Probation</u>	<u>Law Enforcement</u>	<u>Correction Fees</u>	<u>Flood Damage</u>	<u>Treasurer's Fees</u>
\$ 17,355	\$ -	\$ 2,633	\$ -	\$ 201,243 76139 400	\$ 11,994
<u>\$ 17,355</u>	<u>\$ -</u>	<u>\$ 2,633</u>	<u>\$ -</u>	<u>\$ 277,782</u>	<u>\$ 11,994</u>
\$ -	\$ 5,865	\$ -	\$ 152,778	\$ 77,019	\$ -
<u>\$ -</u>	<u>\$ 5,865</u>	<u>\$ -</u>	<u>\$ 152,778</u>	<u>71,879</u> <u>\$ 148,898</u>	<u>\$ -</u>
\$ - 17,355	\$ - (5,865)	\$ - 2,633	\$ - (152,778)	\$ - 128,884	\$ - 11,994
<u>\$ 17,355</u>	<u>\$ (5,865)</u>	<u>\$ 2,633</u>	<u>\$(152,778)</u>	<u>\$ 128,884</u>	<u>\$ 11,994</u>
<u>\$ 17,355</u>	<u>\$ -</u>	<u>\$ 2,633</u>	<u>\$ -</u>	<u>\$ 277,782</u>	<u>\$ 11,994</u>

Sierra County  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (concluded)**  
For the Fiscal Year Ended June 30, 2009

	Special Revenue Funds			
	County Indigent	Hospital GRT	Disaster Assistance	Clerks Equipment Fee
<b>Assets</b>				
Cash and investments	\$ 202,822	\$ 384,215	\$ -	\$ 50,832
Taxes receivable	58,791	155,321		
Interest receivable				
NMFA receivable		14,484		
<b>Total assets</b>	<b><u>\$ 261,613</u></b>	<b><u>\$ 554,020</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 50,832</u></b>
<b>Liabilities and Fund Balances</b>				
Accounts payable	\$ 2,650	\$ 2,275	\$ 71	\$ 528
Accrued expenses				
Interfund payable			22,566	
Deferred revenue		71,847		
<b>Total liabilities</b>	<b><u>\$ 2,650</u></b>	<b><u>\$ 74,122</u></b>	<b><u>\$ 22,637</u></b>	<b><u>\$ 528</u></b>
Fund balances:				
Reserved for capital projects	\$ -	\$ -	\$ -	\$ -
Unreserved	258,963	479,898	(22,637)	50,304
<b>Total fund balances</b>	<b><u>\$ 258,963</u></b>	<b><u>\$ 479,898</u></b>	<b><u>\$ (22,637)</u></b>	<b><u>\$ 50,304</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 261,613</u></b>	<b><u>\$ 554,020</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 50,832</u></b>

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

<u>Special Revenue Funds</u> Rural Fire Departments	<u>Capital Projects Funds</u> CDBG Capital Projects	<u>Total</u>
\$ 1,779,769	\$ 1,303	\$ 2,795,449 290,600 400 14,484
<u>\$ 1,779,769</u>	<u>\$ 1,303</u>	<u>\$ 3,100,933</u>
\$ 26,797	\$ -	\$ 269,847 - 22,566 225,676
<u>81,950</u>	<u>-</u>	<u>225,676</u>
<u>\$ 108,747</u>	<u>\$ -</u>	<u>\$ 518,089</u>
\$ - <u>1,671,022</u>	\$ 1,303	\$ 1,303 <u>2,581,541</u>
<u>\$ 1,671,022</u>	<u>\$ 1,303</u>	<u>\$ 2,582,844</u>
<u>\$ 1,779,769</u>	<u>\$ 1,303</u>	<u>\$ 3,100,933</u>

Sierra County  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
For the Fiscal Year Ended June 30, 2009

	Special Revenue Funds			
	Farm and Range	Recreation	911 Addressing	Reappraisal
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Gas tax				
MVD tax				
Taxes GRT				
Other taxes		1,861		
Intergovernmental	18,507		440,128	
Charges for services			700	
Miscellaneous			1,051	65,068
	<u>18,507</u>	<u>1,861</u>	<u>441,879</u>	<u>65,068</u>
Total revenues	\$ 18,507	\$ 1,861	\$ 441,879	\$ 65,068
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ -	\$ 52,705
Public safety			410,168	
Health and welfare	25,000			
Highways & streets				
Culture and recreation		957		
Capital outlay			679	31,657
Debt service:				
Principal				
Interest				
	<u>25,000</u>	<u>957</u>	<u>410,847</u>	<u>84,362</u>
Total expenditures	\$ 25,000	\$ 957	\$ 410,847	\$ 84,362
Revenues over (under) expenditures	\$ (6,493)	\$ 904	\$ 31,032	\$ (19,294)
Other financing sources (uses):				
Transfer in	4,383			
Transfer out				
Loan costs				
Loan proceeds				
	<u>4,383</u>	<u></u>	<u></u>	<u></u>
Net change in fund balance	\$ (2,110)	\$ 904	\$ 31,032	\$ (19,294)
Fund balance July 1, 2008	<u>2,110</u>	<u>729</u>	<u>(9,378)</u>	<u>132,751</u>
Fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ 1,633</u>	<u>\$ 21,654</u>	<u>\$ 113,457</u>

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



Special Revenue Funds

<u>Lodgers Tax</u>	<u>Mednet EMS</u>	<u>Juvenile Probation</u>	<u>Maternal Health</u>	<u>Law Enforcement</u>	<u>Correction Fees</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,640	140,460			24,200	92,913
				600	83,906
<u>\$ 3,640</u>	<u>\$ 140,460</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,800</u>	<u>\$ 178,844</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	65,269	42,798		36,512	808,771
			1		
5,293	65,000				
					5,950
<u>\$ 5,293</u>	<u>\$ 130,269</u>	<u>\$ 42,798</u>	<u>\$ 1</u>	<u>\$ 36,512</u>	<u>\$ 814,721</u>
\$ (1,653)	\$ 10,191	\$ (42,798)	\$ (1)	\$ (11,712)	\$ (635,877)
		37,034			523,808
					(27,515)
<u>\$ (1,653)</u>	<u>\$ 10,191</u>	<u>\$ (5,764)</u>	<u>\$ (1)</u>	<u>\$ (11,712)</u>	<u>\$ (139,584)</u>
6,677	7,164	(101)	1	14,345	(13,194)
<u>\$ 5,024</u>	<u>\$ 17,355</u>	<u>\$ (5,865)</u>	<u>\$ -</u>	<u>\$ 2,633</u>	<u>\$ (152,778)</u>

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Flood  
Damage

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\$ 346,187

116,250

1,544

\$ 463,981

\$ -

968,592

8,415

\$ 977,007

\$ (513,026)

---

\$ (513,026)

641,910

\$ 128,884

Sierra County  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES (concluded)**  
For the Fiscal Year Ended June 30, 2009

	Special Revenue Funds		
	Treasurers Fee	County Indigent	Hospital GRT
Revenues:			
Property taxes	\$ -	\$ 313,811	\$ 451,554
Gas tax			
MVD tax			
Taxes GRT			422,461
Other taxes			
Intergovernmental			
Charges for services	4,378		
Miscellaneous			12,101
Total revenues	\$ 4,378	\$ 313,811	\$ 886,116
Expenditures:			
Current:			
General government	\$ -	\$ -	\$ -
Public safety			
Health and welfare		295,791	759,900
Highways & streets			
Culture and recreation			
Capital outlay	2,509		
Debt service:			
Principal			107,623
Interest			61,322
Total expenditures	\$ 2,509	\$ 295,791	\$ 928,845
Revenues over (under) expenditures	\$ 1,869	\$ 18,020	\$ (42,729)
Other financing sources (uses):			
Transfer in			
Transfer out			
Loan costs			
Loan proceeds			
Net change in fund balance	\$ 1,869	\$ 18,020	\$ (42,729)
Fund balance, July 1, 2008	10,125	240,943	522,627
Fund balance, June 30, 2009	\$ 11,994	\$ 258,963	\$ 479,898

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

Special Revenue Funds			Capital Projects Funds	
Disaster Assistance	Clerk's Equipment	Rural Fire Departments	CDBG Capital Projects	Total
\$ -	\$ -	\$ -	\$ -	\$ 1,111,552
				-
				-
				422,461
347,514		545,721		5,501
	23,182			1,725,693
	129	3,400		112,166
				85,918
<u>\$ 347,514</u>	<u>\$ 23,311</u>	<u>\$ 549,121</u>	<u>\$ -</u>	<u>\$ 3,463,291</u>
\$ -	\$ 6,491	\$ -	\$ -	\$ 59,196
53,088		446,423		1,809,941
				2,102,372
				-
				6,250
		128,653		228,498
		48,076		170,064
		12,123		73,445
<u>\$ 53,088</u>	<u>\$ 6,491</u>	<u>\$ 635,275</u>	<u>\$ -</u>	<u>\$ 4,449,766</u>
\$ 294,426	\$ 16,820	\$ (86,154)	\$ -	\$ (986,475)
13,767				578,992
				(27,515)
		(12,377)		(12,377)
		837,526		837,526
<u>\$ 308,193</u>	<u>\$ 16,820</u>	<u>\$ 738,995</u>	<u>\$ -</u>	<u>\$ 390,151</u>
(330,830)	33,484	932,027	1,303	2,192,693
<u>\$ (22,637)</u>	<u>\$ 50,304</u>	<u>\$ 1,671,022</u>	<u>\$ 1,303</u>	<u>\$ 2,582,844</u>

Sierra County  
**NONMAJOR SPECIAL REVENUE FUNDS - RURAL FIRE DEPARTMENTS**  
**COMBINING BALANCE SHEET**  
For the Fiscal Year Ended June 30, 2009

	<u>Monticello Fire</u>	<u>Caballo Fire</u>	<u>Hillsboro Fire</u>	<u>Lakeshore Fire</u>
<b>Assets</b>				
Cash	\$ 547,274	\$ 62,675	\$ 195,730	\$ 5,135
Due from governments				
<b>Total assets</b>	<u><u>\$ 547,274</u></u>	<u><u>\$ 62,675</u></u>	<u><u>\$ 195,730</u></u>	<u><u>\$ 5,135</u></u>
<b>Liabilities and Fund Equity</b>				
Accounts payable	\$ 2,686	\$ 568	\$ 4,211	\$ 1,542
Deferred revenue				
<b>Total liabilities</b>	<u><u>\$ 2,686</u></u>	<u><u>\$ 568</u></u>	<u><u>\$ 4,211</u></u>	<u><u>\$ 1,542</u></u>
Fund balances:				
Unreserved	<u><u>\$ 544,588</u></u>	<u><u>\$ 62,107</u></u>	<u><u>\$ 191,519</u></u>	<u><u>\$ 3,593</u></u>
<b>Total fund equity</b>	<u><u>\$ 544,588</u></u>	<u><u>\$ 62,107</u></u>	<u><u>\$ 191,519</u></u>	<u><u>\$ 3,593</u></u>
<b>Total liabilities and fund equity</b>	<u><u>\$ 547,274</u></u>	<u><u>\$ 62,675</u></u>	<u><u>\$ 195,730</u></u>	<u><u>\$ 5,135</u></u>

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

<u>Arrey/Derry Fire</u>	<u>Winston Fire</u>	<u>Las Palomas Fire</u>	<u>Poverty Creek Fire</u>	<u>Total</u>
\$ 149,601	\$ 361,379	\$ 47,773	\$ 410,202	\$1,779,769
<u>\$ 149,601</u>	<u>\$ 361,379</u>	<u>\$ 47,773</u>	<u>\$ 410,202</u>	<u>\$1,779,769</u>
\$ 1,406	\$ 10,576	\$ 1,240	\$ 4,568	\$ 26,797
	54,630	17,320	10,000	81,950
<u>\$ 1,406</u>	<u>\$ 65,206</u>	<u>\$ 18,560</u>	<u>\$ 14,568</u>	<u>\$ 108,747</u>
<u>\$ 148,195</u>	<u>\$ 296,173</u>	<u>\$ 29,213</u>	<u>\$ 395,634</u>	<u>\$1,671,022</u>
<u>\$ 148,195</u>	<u>\$ 296,173</u>	<u>\$ 29,213</u>	<u>\$ 395,634</u>	<u>\$1,671,022</u>
<u>\$ 149,601</u>	<u>\$ 361,379</u>	<u>\$ 47,773</u>	<u>\$ 410,202</u>	<u>\$1,779,769</u>

Sierra County  
**NONMAJOR SPECIAL REVENUE FUNDS - RURAL FIRE DEPARTMENTS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
For the Fiscal Year Ended June 30, 2009

	<u>Monticello Fire</u>	<u>Caballo Fire</u>	<u>Hillsboro Fire</u>	<u>Lakeshore Fire</u>
Revenues:				
Intergovernmental	\$ 42,632	\$ 49,864	\$ 94,540	\$ 51,077
Charges for services				
Miscellaneous	<u>28</u>	<u>206</u>	<u>942</u>	<u>146</u>
Total revenues	<u>\$ 42,660</u>	<u>\$ 50,070</u>	<u>\$ 95,482</u>	<u>\$ 51,223</u>
Expenditures:				
Public safety	\$ 48,553	\$ 19,867	\$ 117,772	\$ 48,955
Capital Outlay	62,902	10,550	1,781	1,800
Debt service:				
Principal		11,549		11,363
Interest		<u>382</u>		<u>2,044</u>
Total expenditures	<u>\$ 111,455</u>	<u>\$ 42,348</u>	<u>\$ 119,553</u>	<u>\$ 64,162</u>
Revenues over (under) expenditures	\$ (68,795)	\$ 7,722	\$ (24,071)	\$ (12,939)
Other financing sources (uses):				
Loan costs	(6,475)			
Loan proceeds	<u>438,147</u>			
Net change in fund balances	\$ 362,877	\$ 7,722	\$ (24,071)	\$ (12,939)
Fund balance, July 1, 2008	<u>181,711</u>	<u>54,385</u>	<u>215,590</u>	<u>16,532</u>
Fund balance, June 30, 2009	<u>\$ 544,588</u>	<u>\$ 62,107</u>	<u>\$ 191,519</u>	<u>\$ 3,593</u>

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





<u>Arrey/Derry Fire</u>	<u>Winston Fire</u>	<u>Las Palomas Creek</u>	<u>Poverty Creek Fire</u>	<u>Total</u>
\$ 46,831	\$ 164,768	\$ 57,869	\$ 38,140	\$ 545,721
429	1,082	3	564	3,400
<u>\$ 47,260</u>	<u>\$ 165,850</u>	<u>\$ 57,872</u>	<u>\$ 38,704</u>	<u>\$ 549,121</u>
\$ 30,422	\$ 64,004	\$ 41,323	\$ 75,527	\$ 446,423
	2,432		49,188	128,653
				-
10,208	14,956			48,076
5,998	3,699			12,123
<u>\$ 46,628</u>	<u>\$ 85,091</u>	<u>\$ 41,323</u>	<u>\$ 124,715</u>	<u>\$ 635,275</u>
\$ 632	\$ 80,759	\$ 16,549	\$ (86,011)	\$ (86,154)
			(5,902)	(12,377)
			399,379	837,526
<u>\$ 632</u>	<u>\$ 80,759</u>	<u>\$ 16,549</u>	<u>\$ 307,466</u>	<u>\$ 738,995</u>
147,563	215,414	12,664	88,168	932,027
<u>\$ 148,195</u>	<u>\$ 296,173</u>	<u>\$ 29,213</u>	<u>\$ 395,634</u>	<u>\$ 1,671,022</u>



Sierra County  
**FARM AND RANGE RUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 42,000	\$ 42,000	\$ 18,507	\$ (23,493)
Miscellaneous				-
Total revenues	<u>\$ 42,000</u>	<u>\$ 42,000</u>	<u>\$ 18,507</u>	<u>\$ (23,493)</u>
Expenditures:				
Current:				
Health and welfare	\$ 25,000	\$ 29,383	\$ 25,000	\$ 4,383
Capital outlay				-
Total expenditures	<u>\$ 25,000</u>	<u>\$ 29,383</u>	<u>\$ 25,000</u>	<u>\$ 4,383</u>
Revenues over (under) expenditures	\$ 17,000	\$ 12,617	\$ (6,493)	\$ (19,110)
Other financing sources (uses):				
Transfers in				-
Transfers out	-	4,383	4,383	-
Net change in fund balance after other financing sources (uses)	\$ 17,000	\$ 17,000	\$ (2,110)	\$ (19,110)
Fund balance July 1, 2008	<u>2,110</u>	<u>2,110</u>	<u>2,110</u>	<u>-</u>
Fund balance June 30, 2009	<u>\$ 19,110</u>	<u>\$ 19,110</u>	<u>\$ -</u>	<u>\$ (19,110)</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (2,110)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (2,110)</u>	

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

Sierra County  
**RECREATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes	\$ 354	\$ 354	\$ 1,891	\$ 1,537
Expenditures:				
Current:				
Culture - recreation	<u>1,053</u>	<u>1,053</u>	<u>957</u>	<u>96</u>
Net change in fund balance	\$ (699)	\$ (699)	\$ 934	\$ 1,633
Fund balance July 1, 2008	<u>699</u>	<u>699</u>	<u>699</u>	<u>-</u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,633</u></u>	<u><u>\$ 1,633</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 904	
Revenue accruals (net)			30	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 934</u></u>	

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

Sierra County  
**911 ADDRESSING FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 453,500	\$ 453,500	\$ 440,128	\$ (13,372)
Charges for services	2,600	2,600	700	(1,900)
Miscellaneous	<u>32,844</u>	<u>32,844</u>	<u>1,051</u>	<u>(31,793)</u>
Total revenues	<u>\$ 488,944</u>	<u>\$ 488,944</u>	<u>\$ 441,879</u>	<u>\$ (47,065)</u>
Expenditures:				
Current:				
Public safety	\$ 478,566	\$ 478,566	\$ 409,047	\$ 69,519
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>679</u>	<u>321</u>
Total expenditures	<u>\$ 479,566</u>	<u>\$ 479,566</u>	<u>\$ 409,726</u>	<u>\$ 69,840</u>
Net change in fund balance	\$ 9,378	\$ 9,378	\$ 32,153	\$ 22,775
Fund balance July 1, 2008	<u>(9,378)</u>	<u>(9,378)</u>	<u>(9,378)</u>	<u>-</u>
Fund balance June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,775</u>	<u>\$ 22,775</u>
Budgetary reconciliations:				
Net change in fund balance, GAAP basis			\$ 31,032	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>1,121</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 32,153</u>	

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

Sierra County  
**REAPPRAISAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Miscellaneous	\$ 109,318	\$ 109,318	\$ 65,068	\$ (44,250)
Expenditures:				
Current:				
General government	\$ 115,888	\$ 115,888	\$ 56,601	\$ 59,287
Capital outlay	130,120	130,120	31,657	98,463
Total expenditures	<u>\$ 246,008</u>	<u>\$ 246,008</u>	<u>\$ 88,258</u>	<u>\$ 157,750</u>
Revenues over (under) expenditures	\$ (136,690)	\$ (136,690)	\$ (23,190)	\$ 113,500
Other financing sources (uses):				
Transfer in	<u>                    </u>	<u>                    </u>	<u>-</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (136,690)	\$ (136,690)	\$ (23,190)	\$ 113,500
Fund balance July 1, 2008	<u>136,690</u>	<u>136,690</u>	<u>136,690</u>	<u>-</u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 113,500</u></u>	<u><u>\$ 113,500</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (19,294)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>(3,896)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (23,190)</u></u>	

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

Sierra County  
**LODGER'S TAX FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes	\$ 6,175	\$ 6,175	\$ 3,856	\$ (2,319)
Miscellaneous	4	4	-	(4)
Total revenues	\$ 6,179	\$ 6,179	\$ 3,856	\$ (2,323)
Expenditures:				
Current:				
Culture-recreation	12,311	12,311	4,617	7,694
Net change in fund balance	\$ (6,132)	\$ (6,132)	\$ (761)	\$ 5,371
Fund balance July 1, 2008	6,136	6,136	6,136	-
Fund balance June 30, 2009	\$ 4	\$ 4	\$ 5,375	\$ 5,371
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (1,653)	
Revenue accruals (net)			216	
Expenditure accruals (net)			676	
Net change in fund balance, NON-GAAP budgetary basis			\$ (761)	

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

Sierra County  
**MED NET EMS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 136,004	\$ 136,004	\$ 140,460	\$ 4,456
Expenditures:				
Current:				
Public safety	\$ 76,662	\$ 76,662	\$ 65,626	\$ 11,036
Capital outlay	66,863	66,863	65,000	1,863
Total expenditures	<u>\$ 143,525</u>	<u>\$ 143,525</u>	<u>\$ 130,626</u>	<u>\$ 12,899</u>
Net change in fund balance	\$ (7,521)	\$ (7,521)	\$ 9,834	\$ 17,355
Fund balance July 1, 2008	<u>7,521</u>	<u>7,521</u>	<u>7,521</u>	<u>-</u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,355</u></u>	<u><u>\$ 17,355</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 10,191	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>(357)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 9,834</u></u>	

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



Sierra County  
**LAW ENFORCEMENT PROTECTION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 24,200	\$ 24,200	\$ 24,200	\$ -
Miscellaneous	<u>7</u>	<u>7</u>	<u>600</u>	<u>593</u>
Total revenues	\$ 24,207	\$ 24,207	\$ 24,800	\$ 593
Expenditures:				
Current:				
Public safety	<u>38,552</u>	<u>38,552</u>	<u>36,512</u>	<u>2,040</u>
Revenues over (under) expenditures	\$ (14,345)	\$ (14,345)	\$ (11,712)	\$ 2,633
Other financing sources (uses):				
Loan proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (14,345)	\$ (14,345)	\$ (11,712)	2,633
Fund balance July 1, 2008	<u>14,345</u>	<u>14,345</u>	<u>14,345</u>	<u>-</u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,633</u></u>	<u><u>\$ 2,633</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (11,712)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (11,712)</u></u>	

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

Sierra County  
**CORRECTION FEES FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 238,928	\$ 238,928	\$ 92,913	\$ (146,015)
Charges for services	131,742	131,742	83,906	(47,836)
Miscellaneous	<u>          </u>	<u>          </u>	<u>2,025</u>	<u>2,025</u>
Total revenues	\$ 370,670	\$ 370,670	\$ 178,844	\$ (191,826)
Expenditures:				
Current:				
Public safety	<u>609,603</u>	<u>1,086,359</u>	<u>858,254</u>	<u>228,105</u>
Revenues over (under) expenditures	\$ (238,933)	\$ (715,689)	\$ (679,410)	\$ 36,279
Other financing sources (uses):				
Transfer in	<u>194,748</u>	<u>671,504</u>	<u>635,225</u>	<u>(36,279)</u>
Net change in fund balance after other financing sources (uses)	\$ (44,185)	\$ (44,185)	\$ (44,185)	-
Fund balance July 1, 2008	<u>44,185</u>	<u>44,185</u>	<u>44,185</u>	<u>-</u>
Fund balance June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (139,584)	
Revenue accruals (net)			-	
Expenditure accruals (net)			(43,533)	
Other financing sources (net)			<u>138,932</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (44,185)</u>	

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

Sierra County  
**JUVENILE PROBATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public safety	<u>44,266</u>	<u>44,266</u>	<u>41,951</u>	<u>2,315</u>
Revenues over (under) expenditures	\$ (44,266)	\$ (44,266)	\$ (41,951)	\$ 2,315
Other financing sources (uses):				
Transfer in	39,349	39,349	37,034	(2,315)
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (4,917)	\$ (4,917)	\$ (4,917)	-
Fund balance July 1, 2008	<u>4,917</u>	<u>4,917</u>	<u>4,917</u>	<u>-</u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (5,764)	
Revenue accruals (net)			-	
Expenditure accruals (net)			847	
Transfer differences			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (4,917)</u></u>	

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

Sierra County  
**MATERNAL HEALTH COUNCIL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Health and welfare	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Net change in fund balance	\$ -	\$ (1)	\$ (1)	\$ -
Fund balance July 1, 2008	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (1)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ (1)</u></u>	

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

Sierra County  
**FLOOD DAMAGE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Property tax	\$ 446,436	\$ 446,436	\$ 350,005	\$ (96,431)
Intergovernmental		116,250	116,250	-
Miscellaneous	8,815	8,815	32,283	23,468
<b>Total revenues</b>	<u>\$ 455,251</u>	<u>\$ 571,501</u>	<u>\$ 498,538</u>	<u>\$ (72,963)</u>
Expenditures:				
Current:				
Health and welfare	\$ 182,695	\$ 298,945	\$ 174,762	\$ 124,183
Capital outlay	875,793	875,793	726,123	149,670
<b>Total expenditures</b>	<u>\$ 1,058,488</u>	<u>\$ 1,174,738</u>	<u>\$ 900,885</u>	<u>\$ 273,853</u>
Revenues over (under) expenditures	\$ (603,237)	\$ (603,237)	\$ (402,347)	\$ 200,890
Other financing sources (uses):				
Transfer out	-	-	-	-
Net change in fund balance after other financing sources (uses)	\$ (603,237)	\$ (603,237)	\$ (402,347)	200,890
Fund balance July 1, 2008	603,237	603,237	603,590	353
Fund balance June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,243</u>	<u>\$ 201,243</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (513,026)	
Revenue accruals (net)			34,557	
Expenditure accruals (net)			67,707	
Other financing uses (net)			<u>8,415</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (402,347)</u>	

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

Sierra County  
**CLERK'S EQUIPMENT FEE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Charges for services	\$ 25,000	\$ 25,000	\$ 23,182	\$ (1,818)
Miscellaneous	<u>8</u>	<u>8</u>	<u>129</u>	<u>121</u>
Total revenues	<u>\$ 25,008</u>	<u>\$ 25,008</u>	<u>\$ 23,311</u>	<u>\$ (1,697)</u>
Expenditures:				
Current:				
General government	\$ 26,292	\$ 26,292	\$ 5,963	\$ 20,329
Capital outlay	<u>32,200</u>	<u>32,200</u>	<u>          </u>	<u>32,200</u>
Total expenditures	<u>\$ 58,492</u>	<u>\$ 58,492</u>	<u>\$ 5,963</u>	<u>\$ 52,529</u>
Revenues over (under) expenditures	\$ (33,484)	\$ (33,484)	\$ 17,348	\$ 50,832
Other financing sources (uses):				
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (33,484)	\$ (33,484)	\$ 17,348	50,832
Fund balance July 1, 2008	<u>33,484</u>	<u>33,484</u>	<u>33,484</u>	<u>-</u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 50,832</u></u>	<u><u>\$ 50,832</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 16,820	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>528</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 17,348</u></u>	

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

Sierra County  
**TREASURERS FEE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Miscellaneous	\$ 7,367	\$ 7,367	\$ 4,378	\$ (2,989)
Expenditures:				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Capital outlay	17,492	17,492	2,509	14,983
Total expenditures	17,492	17,492	2,509	14,983
Net change in fund balance	\$ (10,125)	\$ (10,125)	\$ 1,869	\$ 11,994
Fund balance July 1, 2008	10,125	10,125	10,125	-
Fund balance June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,994</u>	<u>\$ 11,994</u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 1,869	
Revenue accruals (net)			-	
Expenditure accruals (net)			-	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 1,869</u>	

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

Sierra County  
**COUNTY INDIGENT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes GRT	\$ 1,303,080	\$ 1,303,080	\$ 1,419,476	\$ 116,396
Miscellaneous	<u>46</u>	<u>46</u>	<u>                    </u>	<u>(46)</u>
Total revenues	\$ 1,303,126	\$ 1,303,126	\$ 1,419,476	\$ 116,350
Expenditures:				
Current:				
Health and welfare	<u>1,481,146</u>	<u>1,481,146</u>	<u>1,394,674</u>	<u>86,472</u>
Net change in fund balance	\$ (178,020)	\$ (178,020)	\$ 24,802	\$ 202,822
Fund balance July 1, 2008	<u>178,020</u>	<u>178,020</u>	<u>178,020</u>	<u>-</u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 202,822</u></u>	<u><u>\$ 202,822</u></u>
 Budgetary reconciliation;				
Net change in fund balance, GAAP basis			\$ 18,020	
Revenue accruals (net)			1,105,665	
Expenditure accruals (net)			(1,098,883)	
Other financing sources			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 24,802</u></u>	

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



Sierra County  
**HILLSBORO FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 105,805	\$ 119,030	\$ 94,540	\$ (24,490)
Charges for services				-
Miscellaneous	<u>1,821</u>	<u>1,821</u>	<u>942</u>	<u>(879)</u>
Total revenues	<u>\$ 107,626</u>	<u>\$ 120,851</u>	<u>\$ 95,482</u>	<u>\$ (25,369)</u>
Expenditures:				
Current:				
Public safety	\$ 148,463	\$ 161,688	\$ 117,752	\$ 43,936
Capital outlay	<u>178,944</u>	<u>178,944</u>	<u>1,781</u>	<u>177,163</u>
Total expenditures	<u>\$ 327,407</u>	<u>\$ 340,632</u>	<u>\$ 119,533</u>	<u>\$ 221,099</u>
Net change in fund balance	\$ (219,781)	\$ (219,781)	\$ (24,051)	\$ 195,730
Fund balance July 1, 2008	<u>219,781</u>	<u>219,781</u>	<u>219,781</u>	<u>-</u>
Fund balance June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,730</u>	<u>\$ 195,730</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (24,071)	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>20</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (24,051)</u>	

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

Sierra County  
**LAKESHORE FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 59,964	\$ 59,964	\$ 51,077	\$ (8,887)
Charges for services				
Miscellaneous	<u>2,009</u>	<u>2,009</u>	<u>9</u>	<u>(2,000)</u>
Total revenues	<u>\$ 61,973</u>	<u>\$ 61,973</u>	<u>\$ 51,086</u>	<u>\$ (10,887)</u>
Expenditures:				
Current:				
Public safety	\$ 52,576	\$ 52,576	\$ 63,194	\$ (10,618)
Capital outlay	<u>27,537</u>	<u>27,537</u>	<u>1,800</u>	<u>25,737</u>
Total expenditures	<u>\$ 80,113</u>	<u>\$ 80,113</u>	<u>\$ 64,994</u>	<u>\$ 15,119</u>
Revenues over (under) expenditures	\$ (18,140)	\$ (18,140)	\$ (13,908)	\$ 4,232
Other financing sources (uses):				
Loan proceeds	<u>          </u>	<u>          </u>	<u>          </u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (18,140)	\$ (18,140)	\$ (13,908)	4,232
Fund balance July 1, 2008	<u>18,140</u>	<u>18,140</u>	<u>18,140</u>	<u>-</u>
Fund balance June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,232</u>	<u>\$ 4,232</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ (12,939)	
Revenue accruals (net)			(137)	
Expenditure accruals (net)			<u>(832)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (13,908)</u>	

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

Sierra County  
**MONTICELLO FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Intergovernmental	\$ 45,690	\$ 45,690	\$ 42,632	\$ (3,058)
Charges for services				-
Miscellaneous	<u>1</u>	<u>1</u>	<u>          </u>	<u>(1)</u>
<b>Total revenues</b>	<u>\$ 45,691</u>	<u>\$ 45,691</u>	<u>\$ 42,632</u>	<u>\$ (3,059)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	\$ 70,621	\$ 70,621	\$ 45,892	\$ 24,729
Capital outlay	<u>176,805</u>	<u>176,805</u>	<u>62,902</u>	<u>113,903</u>
<b>Total expenditures</b>	<u>\$ 247,426</u>	<u>\$ 247,426</u>	<u>\$ 108,794</u>	<u>\$ 138,632</u>
Net change in fund balance	\$ (201,735)	\$ (201,735)	\$ (66,162)	\$ 135,573
Fund balance July 1, 2008	<u>201,735</u>	<u>201,735</u>	<u>181,736</u>	<u>(19,999)</u>
Fund balance June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,574</u>	<u>\$ 115,574</u>
 <b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis			\$ 362,877	
Revenue accruals (net)			(28)	
Expenditure accruals (net)			9,136	
Other financing sources (net)			<u>(438,147)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (66,162)</u>	

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

Sierra County  
**CABALLO FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 55,632	\$ 55,632	\$ 49,864	\$ (5,768)
Charges for services				-
Miscellaneous	<u>6,707</u>	<u>6,707</u>	<u>87</u>	<u>(6,620)</u>
Total revenues	<u>\$ 62,339</u>	<u>\$ 62,339</u>	<u>\$ 49,951</u>	<u>\$ (12,388)</u>
Expenditures:				
Current:				
Public safety	\$ 68,220	\$ 68,220	\$ 30,876	\$ 37,344
Capital outlay	<u>50,149</u>	<u>50,149</u>	<u>10,550</u>	<u>39,599</u>
Total expenditures	<u>\$ 118,369</u>	<u>\$ 118,369</u>	<u>\$ 41,426</u>	<u>\$ 76,943</u>
Revenues over (under) expenditures	\$ (56,030)	\$ (56,030)	\$ 8,525	\$ 64,555
Other financing sources (uses):				
Loan proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ (56,030)	\$ (56,030)	\$ 8,525	64,555
Fund balance July 1, 2008	<u>56,030</u>	<u>56,030</u>	<u>54,030</u>	<u>(2,000)</u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 62,555</u></u>	<u><u>\$ 62,555</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 7,722	
Revenue accruals (net)			(119)	
Expenditure accruals (net)			<u>922</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 8,525</u></u>	

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

Sierra County  
**ARREY/DERRY FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 51,195	\$ 51,195	\$ 46,831	\$ (4,364)
Charges for services				
Miscellaneous	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total revenues	<u>\$ 51,195</u>	<u>\$ 51,195</u>	<u>\$ 46,831</u>	<u>\$ (4,364)</u>
Expenditures:				
Current:				
Public safety	\$ 66,126	\$ 66,126	\$ 46,476	\$ 19,650
Capital outlay	<u>104,946</u>	<u>104,946</u>	<u>          </u>	<u>104,946</u>
Total expenditures	<u>\$ 171,072</u>	<u>\$ 171,072</u>	<u>\$ 46,476</u>	<u>\$ 124,596</u>
Net change in fund balance	\$ (119,877)	\$ (119,877)	\$ 355	\$ 120,232
Fund balance July 1, 2008	<u>119,877</u>	<u>119,877</u>	<u>119,877</u>	<u>          </u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 120,232</u></u>	<u><u>\$ 120,232</u></u>
 Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 632	
Revenue accruals (net)			(429)	
Expenditure accruals (net)			<u>152</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ 355</u></u>	

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

Sierra County  
**WINSTON FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 62,468	\$ 62,468	\$ 204,130	\$ 141,662
Charges for services				-
Miscellaneous	<u>76</u>	<u>76</u>	<u>899</u>	<u>823</u>
Total revenues	<u>\$ 62,544</u>	<u>\$ 62,544</u>	<u>\$ 205,029</u>	<u>\$ 142,485</u>
Expenditures:				
Current:				
Public safety	\$ 68,090	\$ 68,090	\$ 77,728	\$ (9,638)
Capital outlay	<u>176,805</u>	<u>176,805</u>	<u>2,432</u>	<u>174,373</u>
Total expenditures	<u>\$ 244,895</u>	<u>\$ 244,895</u>	<u>\$ 80,160</u>	<u>\$ 164,735</u>
Net change in fund balance	\$ (182,351)	\$ (182,351)	\$ 124,869	\$ 307,220
Fund balance July 1, 2008	<u>236,325</u>	<u>236,325</u>	<u>236,325</u>	<u>-</u>
Fund balance June 30, 2009	<u>\$ 53,974</u>	<u>\$ 53,974</u>	<u>\$ 361,194</u>	<u>\$ 307,220</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 80,759	
Revenue accruals (net)			39,179	
Expenditure accruals (net)			<u>4,931</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 124,869</u>	

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

Sierra County  
**LAS PALOMAS FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 114,867	\$ 119,274	\$ 57,869	\$ (61,405)
Charges for services				-
Miscellaneous	<u>2,146</u>	<u>2,146</u>	<u>374</u>	<u>(1,772)</u>
Total revenues	<u>\$ 117,013</u>	<u>\$ 121,420</u>	<u>\$ 58,243</u>	<u>\$ (63,177)</u>
Expenditures:				
Current:				
Public safety	\$ 96,251	\$ 100,758	\$ 41,570	\$ 59,188
Capital outlay	<u>51,762</u>	<u>51,762</u>		<u>51,762</u>
Total expenditures	<u>\$ 148,013</u>	<u>\$ 152,520</u>	<u>\$ 41,570</u>	<u>\$ 110,950</u>
Net change in fund balance	\$ (31,000)	\$ (31,100)	\$ 16,673	\$ 47,773
Fund balance July 1, 2008	<u>31,000</u>	<u>31,100</u>	<u>31,100</u>	<u>-</u>
Fund balance June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,773</u>	<u>\$ 47,773</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 16,549	
Revenue accruals (net)			371	
Expenditure accruals (net)			<u>(247)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 16,673</u>	

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

Sierra County  
**POVERTY CREEK FIRE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Intergovernmental	\$ 48,141	\$ 98,563	\$ 38,140	\$ (60,423)
Charges for services				-
Miscellaneous	<u>33</u>	<u>33</u>	<u>500</u>	<u>467</u>
Total revenues	<u>\$ 48,174</u>	<u>\$ 98,596</u>	<u>\$ 38,640</u>	<u>\$ (59,956)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Public safety	\$ 51,060	\$ 101,482	\$ 71,175	\$ 30,307
Capital outlay	<u>95,498</u>	<u>95,498</u>	<u>49,188</u>	<u>46,310</u>
Total expenditures	<u>\$ 146,558</u>	<u>\$ 196,980</u>	<u>\$ 120,363</u>	<u>\$ 76,617</u>
Net change in fund balance	\$ (98,384)	\$ (98,384)	\$ (81,723)	\$ 16,661
Fund balance July 1, 2008	<u>98,384</u>	<u>98,384</u>	<u>98,384</u>	<u>-</u>
Fund balance June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,661</u>	<u>\$ 16,661</u>
<b>Budgetary reconciliation:</b>				
Net change in fund balance, GAAP basis			\$ 307,466	
Revenue accruals (net)			(64)	
Expenditure accruals (net)			10,254	
Other financing sources (net)			<u>(399,379)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ (81,723)</u>	

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



Sierra County  
**HOSPITAL GROSS RECEIPTS TAX FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	Original Budget	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Property taxes	\$ 477,000	\$ 477,000	\$ 456,744	\$ (20,256)
Taxes GRT	471,448	471,448	238,457	(232,991)
Miscellaneous	40	40		(40)
Total revenues	\$ 948,488	\$ 948,488	\$ 695,201	\$ (253,287)
Expenditures:				
Current:				
Health and welfare	\$ 1,394,565	\$ 1,394,565	\$ 930,367	\$ 464,198
Capital outlay				-
Total expenditures	\$ 1,394,565	\$ 1,394,565	\$ 930,367	\$ 464,198
Revenues over (under) expenditures	\$ (446,077)	\$ (446,077)	\$ (235,166)	\$ 210,911
Other financing sources (uses):				
Loan proceeds	318,641	318,641	173,804	(144,837)
Net change in fund balance after other financing sources (uses)	\$ (127,436)	\$ (127,436)	\$ (61,362)	66,074
Fund balance July 1, 2008	127,436	127,436	127,437	1
Fund balance June 30, 2009	\$ -	\$ -	\$ 66,075	\$ 66,075
Budgetary reconciliation;				
Net change in fund balance, GAAP basis			\$ (42,729)	
Revenue accruals (net)			(190,915)	
Expenditure accruals (net)			(1,522)	
Other financing sources (net)			173,804	
Net change in fund balance, NON-GAAP budgetary basis			\$ (61,362)	

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

Sierra County  
**DISASTER ASSISTANCE**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ 815,597	\$ 815,597	\$ 472,542	\$ (343,055)
Miscellaneous	<u>22</u>	<u>22</u>	<u>          </u>	<u>(22)</u>
Total revenues	<u>\$ 815,619</u>	<u>\$ 815,619</u>	<u>\$ 472,542</u>	<u>\$ (343,077)</u>
Expenditures:				
Current:				
Health and welfare	\$ 370,467	\$ 370,467	\$ 53,934	\$ 316,533
Capital outlay	<u>          </u>	<u>          </u>	<u>          </u>	<u>-</u>
Total expenditures	<u>\$ 370,467</u>	<u>\$ 370,467</u>	<u>\$ 53,934</u>	<u>\$ 316,533</u>
Revenues over (under) expenditures	\$ 445,152	\$ 445,152	\$ 418,608	\$ (26,544)
Other financing sources (uses):				
Transfer in	<u>13,767</u>	<u>13,767</u>	<u>13,767</u>	<u>-</u>
Net change in fund balance after other financing sources (uses)	\$ 458,919	\$ 458,919	\$ 432,375	(26,544)
Fund balance July 1, 2008	<u>(454,941)</u>	<u>(454,941)</u>	<u>(454,941)</u>	<u>-</u>
Fund balance June 30, 2009	<u>\$ 3,978</u>	<u>\$ 3,978</u>	<u>\$ (22,566)</u>	<u>\$ (26,544)</u>
Budgetary reconciliation;				
Net change in fund balance, GAAP basis			\$ 308,193	
Revenue accruals (net)			125,028	
Expenditure accruals (net)			(846)	
Other financing sources (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ 432,375</u>	

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

Sierra County  
**CDBG CAPITAL PROJECTS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Health and welfare	\$ -	\$ -	\$ -	\$ -
Capital outlay	-	-	-	-
Total expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
Fund balance July 1, 2008	<u>          </u>	<u>          </u>	<u>1,303</u>	<u>1,303</u>
Fund balance June 30, 2009	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,303</u></u>	<u><u>\$ 1,303</u></u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ -	
Revenue accruals (net)			-	
Expenditure accruals (net)			<u>-</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u><u>\$ -</u></u>	

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

Sierra County  
**LANDFILL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes GRT	\$ 61,511	\$ 61,511	\$ 47,130	\$ (14,381)
Charges for services	165,958	172,955	112,178	(60,777)
Miscellaneous	<u>9,613</u>	<u>9,613</u>	<u>          </u>	<u>(9,613)</u>
Total revenues	<u>\$ 237,082</u>	<u>\$ 244,079</u>	<u>\$ 159,308</u>	<u>\$ (84,771)</u>
Expenditures:				
Current:				
Personnel	\$ 128,689	\$ 135,685	\$ 105,477	\$ 30,208
Operating	80,887	80,888	70,753	10,135
Capital outlay	<u>87,700</u>	<u>87,700</u>	<u>36,380</u>	<u>51,320</u>
Total expenditures	<u>\$ 297,276</u>	<u>\$ 304,273</u>	<u>\$ 212,610</u>	<u>\$ 91,663</u>
Revenues over (under) expenditures	\$ (60,194)	\$ (60,194)	\$ (53,302)	\$ 6,892
Other financing sources (uses):				
Transfer in	60,194	60,194	53,302	(6,892)
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures after other financing sources uses	\$ -	\$ -	\$ -	\$ -
Fund balance July 1, 2008	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance June 30, 2009	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Budgetary reconciliation:				
Net change in fund balance, GAAP basis			\$ 3,199	
Revenue accruals (net)			1,076	
Expenditure accruals (net)			<u>(4,275)</u>	
Net change in fund balance, NON-GAAP budgetary basis			<u>\$ -</u>	

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

Sierra County  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
For the Fiscal Year Ended June 30, 2009

	<u>Balance</u> <u>July 1, 2008</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>Property Tax Fund</b>				
<b>Assets</b>				
Cash and investments	\$ 94,448	\$ 2,664,216	\$ 2,657,904	\$ 100,760
Receivables	594,953	88,922		683,875
	<u>\$ 689,401</u>	<u>\$ 2,753,138</u>	<u>\$ 2,657,904</u>	<u>\$ 784,635</u>
<b>Liabilities</b>				
Due to others	<u>\$ 689,401</u>	<u>\$ 2,753,138</u>	<u>\$ 2,657,904</u>	<u>\$ 784,635</u>
<b>Prisoners Personal fund</b>				
<b>Assets</b>				
Cash and investments	\$ 11,113	\$ 26,925	\$ 29,048	\$ 8,990
	<u>\$ 11,113</u>	<u>\$ 26,925</u>	<u>\$ 29,048</u>	<u>\$ 8,990</u>
<b>Liabilities</b>				
Due to others	<u>\$ 11,113</u>	<u>\$ 26,925</u>	<u>\$ 29,048</u>	<u>\$ 8,990</u>
<b>Cell Phone Zoning</b>				
<b>Assets</b>				
Cash and investments	\$ -	\$ 40,896	\$ 26,362	\$ 14,534
	<u>\$ -</u>	<u>\$ 40,896</u>	<u>\$ 26,362</u>	<u>\$ 14,534</u>
<b>Liabilities</b>				
Due to others	<u>\$ -</u>	<u>\$ 40,896</u>	<u>\$ 26,362</u>	<u>\$ 14,534</u>

Sierra County  
**AGENCY FUNDS**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES (concluded)**  
For the Fiscal Year Ended June 30, 2009

**Spaceport**

**Assets**

Cash and investments	\$ -	\$ 108,427	\$ 75,553	\$ 32,874
Due from other governments		25,185		25,185
Taxes receivable	-	74,318		74,318
		<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ -</u>	<u>\$ 207,930</u>	<u>\$ 75,553</u>	<u>\$ 132,377</u>

**Liabilities**

Due to others	<u>\$ -</u>	<u>\$ 207,930</u>	<u>\$ 75,553</u>	<u>\$ 132,377</u>
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**Total all agency funds**

**Assets**

Cash and investments	\$ 105,561	\$ 2,840,464	\$ 2,788,867	\$ 157,158
Due from other governments	-	25,185	-	25,185
Taxes receivable	594,953	163,240	-	758,193
		<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 700,514</u>	<u>\$ 3,028,889</u>	<u>\$ 2,788,867</u>	<u>\$ 940,536</u>

**Liabilities**

Due to others	<u>\$ 700,514</u>	<u>\$ 3,028,889</u>	<u>\$ 2,788,867</u>	<u>\$ 940,536</u>
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The accompanying notes are an integral part of these financial statements.

Sierra County  
**SCHEDULE OF DEPOSITORY COLLATERAL**  
For the Fiscal Year Ended June 30, 2009

	<u>Bank of the Southwest</u>	<u>Compass Bank</u>	<u>First Savings Bank</u>
Checking	\$ 2,136,726		
Savings	24,066	96,239	
Certificates of deposit	<u>190,000</u>	<u>559,875</u>	<u>60,974</u>
Total on deposit	\$ 2,350,792	\$ 656,114	\$ 60,974
Less: FDIC/SPIC insurance	<u>(2,349,614)</u>	<u>(250,000)</u>	<u>(60,974)</u>
Total uninsured public funds	<u>\$ 1,178</u>	<u>\$ 406,114</u>	<u>\$ -</u>
50% collateralization requirement (Section 6-10-17 NMSA)	<u>589</u>	<u>203,057</u>	<u>-</u>
Total collateralization requirement	<u>\$ 589</u>	<u>\$ 203,057</u>	<u>\$ -</u>
Pledged Securities:			
FNMA #089416 4/1/29	\$ 21,233	\$ -	\$ -
FHLMC #1B73380 4/01/37	<u>                    </u>	<u>654,381</u>	<u>                    </u>
Total pledged securities	<u>\$ 21,233</u>	<u>\$ 654,381</u>	<u>\$ -</u>
Pledged securities over (under) requirement	<u>\$ 20,644</u>	<u>\$ 451,324</u>	<u>\$ -</u>

Securities pledged are held by the Federal Home Loan Bank in Irving, TX. ; First Financial in El Paso, TX. and First National Bank in Pierre, SD. Safekeeping receipts are held by the County.

	<u>Total</u>
\$	2,136,726
	120,305
	<u>810,849</u>
\$	3,067,880
	<u>(2,660,588)</u>
\$	<u><u>407,292</u></u>

	<u>203,646</u>
\$	<u>203,646</u>

\$	21,233
	<u>654,381</u>
\$	<u>675,614</u>
\$	<u><u>471,968</u></u>



Sierra County  
**SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS AND INVESTMENTS**  
For the Fiscal Year Ended June 30, 2009

	Type of Account	Bank Balance	Reconciled Balance
<u>Bank of the Southwest</u>			
General	Checking	\$ 2,111,032	\$ 1,951,616
Agency	Checking	15,043	14,534
Commissary	Checking	10,651	8,990
Treasurer	CD	24,066	24,066
Treasurer	CD	95,000	95,000
Treasurer	CD	95,000	95,000
Total Bank of the Southwest		<u>\$ 2,350,792</u>	<u>\$ 2,189,206</u>
<u>Compass Bank</u>			
Treasurer	CD	\$ 96,239	\$ 96,239
Treasurer	CD	100,000	100,000
Treasurer	CD	230,000	230,000
Treasurer	CD	229,875	229,875
Total State National Bank		<u>\$ 656,114</u>	<u>\$ 656,114</u>
<u>First Savings Bank</u>			
Treasurer	CD	\$ 60,974	\$ 60,974
<u>Wachovia Securities</u>			
Treasurer	Gov't MM	\$ 31,013	\$ 31,013
Treasurer	GNMA	165,742	165,742
Total Wachovia Securities		<u>\$ 196,755</u>	<u>\$ 196,755</u>
<u>New Mexico Finance Authority</u>			
Courthouse & Detention Center Renovations	Trust	\$ 17,170	\$ 17,170
Lakeshore Fire Pumper	Trust	35	35
Lakeshore Fire Station	Trust	98	98
Winston Fire Station	Trust	185	185
Arrey/Derry Fire Station	Trust	404	404
Caballo Fire Truck	Trust	120	120
County Courthouse Renovations	Trust	2,089	2,089
Poverty Creek Fire Department	Trust	29	29
Hospital GRT	Trust	158,330	158,330
Total New Mexico Finance Authority		<u>\$ 178,460</u>	<u>\$ 178,460</u>

Sierra County  
**SCHEDULE OF INDIVIDUAL DEPOSIT ACCOUNTS  
AND INVESTMENTS (CONCLUDED)**  
For the Fiscal Year Ended June 30, 2009

	Type of Account	Bank Balance	Reconciled Balance
<u>Edward Jones</u>			
Treasurer	Money Market CD		
Treasurer			
Total Edward Jones		\$ -	\$ -
<u>Bank of Albuquerque</u>			
Arrey/Derry Fire Department	Trust	\$ 16,736	\$ 16,736
Arrey/Derry Fire Department	Trust	12,229	12,229
Hospital Trust	Trust	159,810	159,810
Lakeshore Fire Department	Trust	770	770
Monticello Fire	Trust	431,700	431,700
Courthouse & Detention Center Renovations	Trust	330,718	330,718
Courthouse Renovations	Trust	26,100	26,100
Flood Vehicle	Trust	-	-
Poverty Creek Fire	Trust	393,512	393,512
Total Bank of Albuquerque		\$ 1,371,575	\$ 1,371,575
Total cash and investments		\$ 4,814,670	\$ 4,653,084
Cash on hand			3,394
			\$ 4,656,478

**Sierra County**  
**SCHEDULE OF JOINT POWERS AGREEMENTS**  
For the Fiscal Year Ended June 30, 2009

**97-059**

Participants	The City of Truth or Consequences The Village of Williamsburg Sierra County
Responsible party	The City of Truth or Consequences The Village of Williamsburg Sierra County
Description	To provide adequate and appropriate hospital facilities.
Dates of agreement	Indefinitely until terminated by parties.
Amount of project	Unknown
Agency contribution	Gross receipts intercept agreement for 47.5% of ownership.
Audit responsibility	Sierra Vista Hospital The City of Truth or Consequences The Village of Williamsburg Sierra County
 <b>JPA 2000-2001</b>	
Participants	Sierra County Commission Sierra County Sheriff The Village of Williamsburg
Responsible party	Sierra County Commission Sierra County Sheriff The Village of Williamsburg
Description	To assign the use of any existing Law Enforcement equipment owned by the Village to the Sheriff Department to be used in providing law enforcement protection.

Sierra County  
**SCHEDULE OF JOINT POWERS AGREEMENTS (continued)**  
 For the Fiscal Year Ended June 30, 2009

Dates of agreement	Ongoing
Amount of project	Unknown
Agency contribution	Any costs for regular and standard maintenance of vehicles and equipment.
Audit responsibility	Sierra County

**Elephant Butte**

Participants	Sierra County Commission Sierra County Sherriff City of Elephant Butte
Responsible party	Sierra County Commission Sierra County Sherriff City of Elephant Butte
Description	Provide law enforcement protection for the City of Elephant Butte.
Dates of agreement	Ongoing
Amount of project	City Elephant Butte will pay the sherriff's office \$20,600.00
Agency contribution	Unknown
Audit responsibility	Sierra County
Participants	Sierra County Dona Ana County

Sierra County  
**SCHEDULE OF JOINT POWERS AGREEMENTS (continued)**  
 For the Fiscal Year Ended June 30, 2009

Responsible party	Sierra County Dona Ana County
Description	For the purpose of constructing a portion of a roadway withing both counties boundaries known as Kite Road.
Dates of agreement	Indefinite, can be terminated with 30 days notice.
Amount of project	Unknown
Agency contribution	Unknown
Audit responsibility	Sierra County Dona Ana County
<b>JPA 79-026</b>	
Participants	Sierra County Valencia County
Responsible party	Sierra County Valencia County
Description	Valencia County will provide incarceration services to male juveniles from Sierra County.
Dates of agreement	Indefinite
Amount of project	Sierra County shall pay Valencia County \$65 per day per juvenile.
Agency contribution	Sierra County shall pay Valencia County \$65 per day per juvenile.
Audit responsibility	Valencia County





Sierra County  
**SCHEDULE OF JOINT POWERS AGREEMENTS (concluded)**  
For the Fiscal Year Ended June 30, 2009

Description	Road and street maintenance with the incorporated boundaries of the City of Elephant Butte.
Dates of agreement	Ongoing
Amount of project	\$6,000 in equal quarterly payments.
Agency contribution	Cost of road and street maintenance.
Audit responsibility	Sierra County City of Elephant Butte



Sierra County  
**SCHEDULE OF LEGISLATIVE GRANTS**  
 June 30, 2009

	<b>Sierra Vista Hospital 07-LG-5554</b>	<b>Monticello Plaza 05-L-G-379</b>	<b>Detention Center 06-L-G-536</b>	<b>Administration Complex 06-L-G-537</b>
Original appropriation	<u>\$ 750,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 300,000</u>
Expended through June30, 2009	\$ 674,539	\$ 81,028	\$ 198,000	\$ 268,244
Encumbrances	<u>-</u>	<u>18,886</u>	<u>-</u>	<u>965</u>
Total committed	<u><u>\$ 674,539</u></u>	<u><u>\$ 99,914</u></u>	<u><u>\$ 198,000</u></u>	<u><u>\$ 269,209</u></u>
Project expiration date	<u>06/30/11</u>	<u>06/30/09</u>	<u>06/30/10</u>	<u>06/30/10</u>

<b>Administration Complex 06-L-G-1896</b>	<b>Hillsboro 04-L-G-334</b>	<b>Fair Building 04-L-G-2415</b>	<b>Fair Building 05-L-G-488</b>	<b>Fair Building 05-L-G-1802</b>	<b>Fair Building 06-L-G-1897</b>
<u>\$ 160,000</u>	<u>\$ 95,000</u>	<u>\$ 100,000</u>	<u>\$ 50,000</u>	<u>\$ 150,000</u>	<u>\$ 200,000</u>
\$ 158,400	\$ 94,625	\$ 14,413	\$ 50,000	\$ -	\$ -
<u>-</u>	<u>-</u>	<u>85,587</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u><u>\$ 158,400</u></u>	<u><u>\$ 94,625</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 50,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
<u>06/30/10</u>	<u>06/30/09</u>	<u>06/30/09</u>	<u>06/30/10</u>	<u>06/30/10</u>	<u>06/30/10</u>

Sierra County  
**SCHEDULE OF LEGISLATIVE GRANT (concluded)**  
 June 30, 2009

	<b>Fair Building <u>07-L-G-5553</u></b>	<b>Road/ Land <u>08-L-G-5364</u></b>	<b>Hospital <u>07-L-G-3766</u></b>	<b>Hospital <u>08-L-G-3270</u></b>
Original appropriation	<u>\$ 400,000</u>	<u>\$ 100,000</u>	<u>\$ 1,352,785</u>	<u>\$ 1,024,000</u>
Expended through June 30, 2009	\$ -	\$ 100,000	\$ 12,500	\$ -
Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total committed	<u><u>\$ -</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 12,500</u></u>	<u><u>\$ -</u></u>
Project expiration date	<u>06/30/11</u>	<u>06/30/12</u>	<u>06/30/11</u>	<u>06/30/12</u>

Sierra County  
**TAX ROLL RECONCILIATION**  
For the Fiscal Year Ended June 30, 2009

Property taxes receivable, July 1, 2008	\$ 988,503
Net taxes charged to the Treasurer for 2009	6,160,370
Collections/Distributions/Changes	<u>(5,907,186)</u>
Property taxes receivable, June 30, 2009	<u><u>\$ 1,241,687</u></u>

Sierra County  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Fiscal Year Ended June 30, 2009

	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. DEPARTMENT OF THE INTERIOR</u></b>			
Direct:			
Distribution of Receipts	15.227	N/A	\$ 18,507
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
Direct:			
Schools and Roads-Grants to States	10.665	N/A	<u>\$ 419,542</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
Direct:			
Assistance to firefighters	97.044	N/A	<u>\$ 115,773</u>
Total expenditures of federal awards			<u><u>\$ 553,822</u></u>

See the accompanying notes to Schedule of Expenditures of Federal Awards.

Sierra County  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the Fiscal Year Ended June 30, 2009

Note 1    Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Sierra County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

Note 2    Insurance

The County had the following insurance coverages during the year ended June 30, 2009:

Workers compensation	\$ Unlimited
Employer's liability	1,050,000
Persona injury:	
Per person	400,000
Per occurrence	750,000
Per occurrence property damage	100,000
Auto Liability	Limits
Auto physical damage	Per auto

Sierra County  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Fiscal Year Ended June 30, 2009

<b>Findings – Financial Statement Audit</b>	<u>Current Status</u>
07-1 Landfill closures costs not calculated	Repeated
07-4 Property tax schedule not presented in the State Auditor required format	Repeated
07-6 Depository collateral is insufficient	Resolved

**Findings and Questioned Costs – Major Federal Award programs**

None

MIKE STONE, C.P.A.  
LINDA STONE MCGEE, C.P.A.  
KAY STONE, C.P.A.  
JARROD MASON, C.P.A.  
KELLEY WYATT, C.P.A.

RYAN MONTOYA, C.P.A.

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

Hector H. Balderas, State Auditor  
and  
Board of Commissioners  
Sierra County  
Truth or Consequences, New Mexico

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Sierra County as of and for the year ended June 30, 2009, which collectively comprise Sierra County's basic financial statements and have issued our report thereon dated October 28, 2009. We have also audited the financial statements of each of the County's non-major governmental funds presented as other supplementary information as of and for the year ended June 30, 2009 and have issued our report thereon dated October 28, 2009. The report on the business-type activities was qualified because of inadequate records relating to landfill closure costs. Except as discussed in the preceding sentence, 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 Sierra County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sierra County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Sierra County's internal control over financial reporting.

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



A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Sierra County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is a more than a remote likelihood that a misstatement of Sierra County's financial statements that is more than inconsequential will not be prevented or detected by Sierra County's internal control. We consider deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. The findings are identified in the accompanying Schedule of Findings and Questioned Costs as findings 07-1.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly would not necessarily disclose all significant deficiencies that are also considered material weaknesses. However, we believe that the significant deficiency described above is a material weakness.

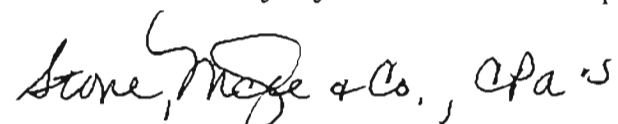
#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sierra 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, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that are required to be reported under *Government Auditing Standards January 2007 Revision* paragraphs 5.14 and 5.16 and Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 07-4 and 09-1.

Sierra 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 Sierra County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, the New Mexico State Auditor, the New Mexico Legislature, 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.



October 28, 2009

Stone, McGee & Co.  
Certified Public Accountants

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

Hector H. Balderas, State Auditor  
and  
Board of Commissioners  
Sierra County  
Truth or Consequences, New Mexico

**Compliance**

We have audited the compliance of Sierra County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Sierra County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Sierra County's management. Our responsibility is to express an opinion on Sierra 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 Sierra County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Sierra County's compliance with those requirements.

In our opinion, Sierra County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

## Internal Control Over Compliance

The management of Sierra 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 Sierra County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sierra County's internal control over compliance.

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

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

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

This report is intended solely for the information and use of management, the Board of Commissioners, others within the organization, the New Mexico State Auditor, the New Mexico Legislature, 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.

*Stone, McGee & Co., CPAs*

October 28, 2009

Sierra County  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Fiscal Year Ended June 30, 2009

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses a qualified opinion on the financial statements of Sierra County. The report was qualified for insufficient records pertaining to landfill post-closure costs.
2. One significant deficiency relating to the audit of the financial statements is reported in the "Findings – Financial Statement Audit" section of this report. This significant deficiency is reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Sierra County, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs are reported in the *Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for Sierra County expresses an unqualified opinion on all major programs.
6. No audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 were noted during the audit.
7. The programs tested as major programs included: Schools and Roads-Grants to States, CFDA No. 10.665.
8. The threshold for distinguishing types A and B programs was \$300,000.
9. Sierra County qualified as a low-risk auditee.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**SIGNIFICANT DEFICIENCIES**

**07-1 Landfill Post-Closure Costs**

Condition – The County has not performed, the required calculations relating to the costs of providing post-closure care for the currently operating landfill.

Criteria – Generally accepted accounting principles require that landfill closure and post-closure costs be estimated and recognized on an ongoing basis as the remaining life of the landfill declines.

Effect – The County’s financial statements do not include the estimated post-closure costs, and the methods of funding such costs have not been considered.

Cause – The County has contracted with an outside agency to perform the appropriate study and to provide the necessary calculations, but this agency has not yet provided the required report.

Recommendation – We recommend that the County request from the contracted agency, at a minimum, the estimated closure and post-closure costs, so that they may be included in the financial statements in subsequent years.

Agency Response – The County has contacted the contracted agency, and the commissioned study should be ready for the 2009-2010 year.

#### OTHER INSTANCES OF NONCOMPLIANCE

##### 07-4 Property Tax Schedule

Condition – The County Treasurer’s property tax schedule does not include ten years of information in the format required by the New Mexico State Auditor.

Criteria – Section 2.2.2.12D(2) of NMAC 2009 requires property tax information be presented in a specific format.

Effect – Records relating to amounts due to other taxing entities is not available in a by-year format, and the County has not complied with 2.2.2 NMAC 2009.

Cause – The County has been unable to compile the information in the requested format.

Recommendation – We recommend that the County compile the information necessary to comply with 2.2.2 NMAC 2009.

Agency Response – The County does not currently have the manpower available to dedicate the time necessary to compile the information in the required format. We are aware that this information is required, and will compile it as manpower becomes available.

##### 09-1 Fire Department Reimbursements

Condition – County volunteer fire department personnel have purchased goods and/or services with personal funds, and then have filed purchase orders with themselves named as the payee, in order to recoup the funds spent.

Criteria – Sound budgetary control and Sections 13-1-1 through 13-1-199 NMSA 1978 require that purchases be authorized by the appropriate personnel prior to purchase.

Effect – The controls established by budgetary management and managerial authorization of for purchasing have been compromised, and New Mexico statutes have been violated.

Cause – The fire department personnel felt this was an acceptable way to purchase goods and/or services, since a purchase order was requested.

Recommendation – We recommend that the fire department personnel request a purchase order prior to the acquisition of goods, and that the purchase order be made out to the vendor supplying the goods and/or services.

Agency Response – The recommendation will be adopted.

#### **FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS**

None

#### **OTHER – FINANCIAL STATEMENT PREPARATION**

The financial statements were prepared by Stone, McGee & Co., C.P.A.'s.

#### **EXIT CONFERENCE**

The contents of this report were discussed October 28, 2009. Present at this exit conference were:

<u>Name</u>	<u>Title</u>	<u>Affiliation</u>
Jim Coslin	Commission Chairman	Sierra County
Jan Porter Carrejo	County Manager	Sierra County
Michelle Storm	Finance Director	Sierra County
Mike Stone	Shareholder	Stone, McGee & Co., CPA's