

**STATE OF NEW MEXICO  
ROOSEVELT COUNTY**

*Audit Report*

For the Year Ended June 30, 2009

**RONNY FOUTS**  
CERTIFIED PUBLIC ACCOUNTANT  
Melrose, New Mexico

STATE OF NEW MEXICO  
Roosevelt County

**Official Roster**  
For the year ended June 30, 2009

**NAME**

**TITLE**

**Elected Officials:**

David Sanders	Commission Chairman
Bill Cathey	Commissioner
Jake Lopez	Commissioner
Gene Creighton	Commissioner
Paul Grider	Commissioner
Mickey Williams	County Treasurer
Janet Collins	County Clerk
Tex Belcher	Assessor
Darren Hooker	Sheriff

**County Administration:**

Charlene Hardin	County Manager
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**STATE OF NEW MEXICO**  
**Roosevelt County**

**Table of Contents**  
June 30, 2009

	Page
<b>INTRODUCTORY SECTION</b>	
Official Roster.....	i
Table of Contents.....	ii-iii
 <b>FINANCIAL SECTION</b>	
Independent Auditor’s Report.....	1-2
Management’s Discussion and Analysis .....	3-9
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	10
Statement of Activities.....	11
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	12
Reconciliation of the Balance Sheet to the Statement of Net Assets.....	13
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	14
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities.....	15
Major Funds:	
Statement of Revenues and Expenditures - Budgets (Non-GAAP) and Actual	
General Fund.....	16
Road Fund.....	17
Statement of Fiduciary Assets and Liabilities .....	18
Notes to Financial Statements.....	19-29
 <b>AUDITED SUPPLEMENTARY INFORMATION:</b>	
Statement of Revenues and Expenditures - Budgets (Non-GAAP) and Actual	
Debt Service Fund.....	30
Bond Acquisition Fund .....	31
Non-major Funds:	
Combining Balance Sheet .....	32-35
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	36-37

Schedule of Revenue and Expenditures - Budget (Non-GAAP) and

Actual:

Predatory Animal Control.....	38
Indigent Fund.....	39
Milnesand County Fire/EMS Fund.....	40
Milnesand Fire Fund.....	41
Milnesand EMS Fund.....	42
Arch County Fire/EMS Fund.....	43
Arch Fire Protection Fund.....	44
Arch EMS Fund.....	45
Law Enforcement Protection Fund.....	46
Correction Fee Fund.....	47
War Memorial Fund.....	48
Clerk's Fees.....	49
EDA Grant.....	50
Misdemeanor Probation.....	51
Traffic Grant.....	52
La Casa Computer & Building.....	53
Kenna Community Center.....	54
Sheriff's Evidence Fund.....	55
Reappraisal Fund.....	56

OTHER SUPPLEMENTARY INFORMATION:

Combining Statement of Changes in Net Assets and Liabilities – All Agency Funds.....	57
Reconciliation of Property Tax Rolls.....	58
Property Tax Schedule.....	59-63
Schedule of Individual Deposit Accounts and Investments.....	64
Cash Collateral Worksheet.....	65
Independent Auditor's Report on Internal Control Over Financial Reporting And on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	66-67
Schedule of Findings and Responses.....	68-70
Exit Conference.....	71

## **FINANCIAL STATEMENT SECTION**

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**INDEPENDENT AUDITOR'S REPORT**

Hector Balderas, State Auditor and  
Members of Roosevelt County Commission  
Portales, New Mexico

We have audited the accompanying financial statements of the governmental activities, each major fund including budget comparisons, and the aggregate remaining fund information of the Roosevelt County, as of and for the year ended June 30, 2009, which collectively comprise the Roosevelt County's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the nonmajor governmental funds and budget comparisons presented as 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.

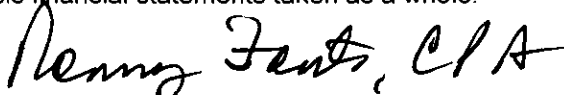
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2009, and the respective changes in financial position thereof and the respective budgetary comparison for the general fund and major special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the County as of June 30, 2009 and the respective changes in financial position thereof, and the respective budgetary comparisons for the major capital project funds, debt service funds, and all nonmajor 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 March 18 2010, on our consideration of Roosevelt County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on page 3 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements and the combining and individual fund financial statements that collectively compromise the County's basic financial statements. The additional schedules listed as supplementary information in the table of contents are presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects, in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Ronny Fouts, CPA". The signature is written in a cursive, flowing style.

Ronny Fouts, CPA  
Melrose, New Mexico  
March 18, 2010

**Roosevelt County**  
State of New Mexico  
Management's Discussion and Analysis  
For the Year Ended June 30, 2009

The discussion and analysis of Roosevelt County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2009. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

**Financial Highlights**

- The County's assets exceeded its liabilities at the close of the fiscal year by \$ 11,492,055. Of this amount, \$ 6,028,646 (unrestricted assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased \$ 481,707 for the fiscal year 2009 as compared to \$ 471,922 in fiscal year 2008. This increase represents the fifth consecutive year of increasing assets.
- At the close of the fiscal year, the County's governmental funds reported a combined ending fund balance of \$ 6,256,925 an increase of \$ 376,995.
- At the end of the fiscal year, unreserved fund balance for the general fund was \$ 4,079,257 and represents 94% of total General Fund expenditures.
- The County's total debt increased by \$ 244,909 during the current fiscal year. Bonds and Notes Payable at year end totaled \$ 3,601,630.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the County's financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

The County's basic financial statements are comprised of three components: the County-wide financial statements, fund financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**County-Wide Financial Statements**

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

**Statement of Net Assets and Statement of Activities**

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. The statement of



**Roosevelt County**  
State of New Mexico  
Management's Discussion and Analysis  
For the Year Ended June 30, 2009

activities presents information showing how the County's net assets changed during the year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net assets is important because it tells the reader whether, the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the statement of net assets and the statement of activities, the County is divided into three kinds of activities:

**Governmental Activities** – Most of the County's programs and services are reported here, including general government, public safety, public works and economic development. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

**Business-Type Activities** – These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided.

**Component Units** – If the County had any component units, the financial data of those units would be included here. If the County had component units they would be described in the notes to the financial statements.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the different services provided to our residents. The County's major governmental funds are the General Fund and the Road Fund.

**Governmental Funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basis services are reported in these funds that focus on how money flows into and out of the funds and the year end balances available for

**Roosevelt County**  
State of New Mexico  
Management's Discussion and Analysis  
For the Year Ended June 30, 2009

spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs.

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

### **Government-Wide Financial Analysis**

Table 1 provides a summary of the County's net assets for 2008 compared to 2009.

**Roosevelt County**  
**State of New Mexico**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2009**

Table 1  
Net Assets

	Governmental Activities	
	2008	2009
<b>Assets</b>		
Cash and Cash Equivalents	\$ 5,562,812	\$ 5,991,394
Delinquent Property Tax Receivable	350,368	207,127
Interest Receivable	52,529	21,637
Due from other Governments	264,589	243,894
Capital Assets, Net	<u>8,665,726</u>	<u>8,689,465</u>
Total Assets	<u>\$ 14,896,024</u>	<u>\$ 15,153,517</u>
<b>Liabilities</b>		
Accrued Interest Payable	\$ 14,211	\$ 22,948
Non-Current Due within one year	269,835	270,736
Non-Current Due in more than 1 yr	<u>3,601,630</u>	<u>3,367,778</u>
Total Liabilities	<u>\$ 3,885,676</u>	<u>\$ 3,661,462</u>
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	4,868,233	5,136,881
Restricted for Debt Service	293,875	153,327
Restricted for Capital Projects	227,132	173,201
Unrestricted	<u>5,621,108</u>	<u>6,028,646</u>
Total Net Assets	<u>\$ 11,010,348</u>	<u>\$ 11,492,055</u>

As noted earlier, the County's net assets, when reviewed over time, may serve as an indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$ 11,492,055 as of June 30, 2009. The largest portion of the County's net assets reflects its investment in capital assets (e.g. land and improvements, buildings and improvements, machinery and equipment, vehicles and infrastructure). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets is represented by cash and cash equivalents. This and the remaining balance of the unrestricted assets may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report a positive balance in the above referenced category of net assets as a government as a whole. The same held true for the prior fiscal year. The County does not have any business-type activities.

**Roosevelt County**  
**State of New Mexico**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2009**

The County's net assets changed by \$481,707 during the current fiscal year. The change is represented due to governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Also issuance of new debt does not constitute a source of funding in the statement of activities, as it does in the statement of changes in fund balances. Lastly, some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

**Governmental Activities**

Property taxes and Gross Receipts were the County's largest revenue accounting for \$5,447,520 for general purposes and \$558,299 for Roads.

The County's charges for services made up \$192,610 of total program revenues. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

Grants and Contributions not restricted to specific programs accounted for \$2,523,850 of the total general revenues.

**Financial Analysis of County Funds**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds**

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

As of June 30, 2009, the County's governmental funds reported a combined ending fund balance of \$ 6,256,925, an increase of \$ 376,995 in comparison with the prior year. This constitutes the unreserved fund balance as well, designed for subsequent years' expenditures.

**Roosevelt County**  
State of New Mexico  
Management's Discussion and Analysis  
For the Year Ended June 30, 2009

The General Fund is the primary operating fund of the County. At the end of fiscal year 2009, the fund balance was \$ 4,668,239. This balance represents an increase of \$ 588,982.

### **Budgetary Highlights**

By State statute, the Board of County Commissioners adopts the annual operating budget the first day of July. Increases in expenditures or revenues are subject to approval of the State of New Mexico, Department of Finance and Administration, Local Government Division. There was a slight variation in the budgeted revenues and actual revenues for the General Fund. Actual revenues were higher than projected, due to increased property tax and gross receipts revenues, Oil and Gas Production revenues came in above projections as well as motor vehicle tax revenues. Actual expenditures were also lower than budgeted projections. Elected officials and department head exercised diligence with the funds allocated. With the actual revenues coming in higher than projections and expenditures being lower than projected the county was able to revert unexpended funds back to the general fund balance.

### **General Fund Budgetary Highlights**

Differences between the final budget and actual budget figures can be briefly summarized as follows:

- \$ 111,125 increase in tax revenue. Factors contributing to this increase were the enactment of additional increments of property tax mills and gross receipts revenue.
- There was no change in the budgeted beginning cash balance
- There was no change in the budgeted transfers.

### **Capital Assets**

The County's investment in capital assets for its governmental as of June 30, 2009 amounts to \$8,689,465. This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, and roads. The total increase in the County's investment in capital assets for the current fiscal year was 19 percent. Major capital asset events during the fiscal year contributing to the increase include the new construction on the additional detention facility; a variety of road construction projects and building and facility improvement projects.

### **Economic Factors**

**Roosevelt County**  
State of New Mexico  
Management's Discussion and Analysis  
For the Year Ended June 30, 2009

The County has experienced moderate population growth over the last 10 years. The County continues to become home to many dairies and ranks 3<sup>rd</sup> in the state for the number of dairy cows. The County is ranked 13<sup>th</sup> in the nation in milk production. The County sees a significant amount of its property tax derived from the dairies as well as spin-off industries.

The County continues to see a stable economic situation, however the national financial economic condition raises concerns that a national economic down turn may have a negative impact on Roosevelt County's overall economy and future revenues.

The County Commission and Management of Roosevelt County will be monitoring the economic conditions and adjust its operations to deal with these movements in the local and national economy.

**Requests for Information**

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Roosevelt County Auditor, 109 West First Street, 4<sup>th</sup> Floor, Portales, New Mexico, 88130.

STATE OF NEW MEXICO  
 ROOSEVELT COUNTY  
 STATEMENT OF NET ASSETS  
 June 30, 2009

	Governmental Activities
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 5,991,394
Delinquent Property Taxes Receivable	207,127
Interest Receivable	21,637
Due from Other Governments	243,894
Non-Current:	
Capital Assets, Net	<u>8,689,465</u>
<b>Total Assets</b>	<u><u>\$ 15,153,517</u></u>
<b>LIABILITIES</b>	
Accrued Interest Payable	\$ 22,948
Noncurrent Liabilities:	
Due within one year	270,736
Due in more than one year	<u>3,367,778</u>
<b>Total Liabilities</b>	<u>3,661,462</u>
<b>NET ASSETS</b>	
Invested in Capital Assets, net of Related Debt	5,136,881
Restricted for Debt Service	153,327
Restricted for Capital Projects	173,201
Unrestricted	<u>6,028,646</u>
<b>Total Net Assets</b>	<u><u>\$ 11,492,055</u></u>

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

STATE OF NEW MEXICO  
 ROOSEVELT COUNTY  
 STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2009

Functions/Programs	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grant and Contributions	Revenue and Changes in Net Assets
Primary Government:					
Governmental Activities:					Primary Governmental Activities
General Government	\$ 3,027,817	\$ 255,181	\$ -	\$ -	\$ (2,772,636)
Public Safety	2,985,025	-	315,898	-	(2,669,127)
Highways and Roads	2,474,499	-	1,370,972	-	(1,103,527)
Health	818,468	-	-	-	(818,468)
Culture and Recreation	130,452	-	-	-	(130,452)
Interest Expense	157,586	-	-	-	(157,586)
<b>Total Governmental Activities</b>	<b>\$ 9,593,847</b>	<b>\$ 255,181</b>	<b>\$ 1,686,870</b>	<b>\$ -</b>	<b>(7,651,796)</b>
General Revenues:					
Property Taxes:					
General Purposes					6,152,982
Roads					558,299
Grants and Contributions Not Restricted to Specific Programs					836,980
Miscellaneous Income					585,242
<b>Total General Revenues</b>					<b>8,133,503</b>
Change in Net Assets					481,707
Net Assets - Beginning					11,010,348
Net Assets - Ending					<b>\$ 11,492,055</b>

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



STATE OF NEW MEXICO  
 ROOSEVELT COUNTY  
 Balance Sheet  
 Governmental Funds  
 June 30, 2009

	General Fund	Road Fund	Debt Service Fund	Bond Acquisition Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Pooled Cash and Investments	\$ 4,420,722	\$ -	\$ 153,327	\$ 173,201	\$ 1,244,144	\$ 5,991,394
Receivables:						
Delinquent Property Taxes	203,535	-	-	-	3,592	207,127
Interest Receivable	21,637					21,637
Due from Other Governments	225,880	18,014	-	-	-	243,894
<b>Total Assets</b>	<b>\$ 4,871,774</b>	<b>\$ 18,014</b>	<b>\$ 153,327</b>	<b>\$ 173,201</b>	<b>\$ 1,247,736</b>	<b>\$ 6,464,052</b>
<u>LIABILITIES AND FUND BALANCE</u>						
Liabilities:						
Deferred Revenue:						
Federal, State, & Local Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Delinquent Property Taxes	203,535	-	-	-	3,592	207,127
<b>Total Liabilities</b>	<b>203,535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,592</b>	<b>207,127</b>
Fund Balance:						
Reserved:						
Reserved for Debt Service	-	-	153,327	-	-	153,327
Reserved for Capital Outlay				173,201		173,201
Unreserved:						
Design for Subsequent Years' Expenditures						
General Fund	4,668,239	-	-	-	-	4,668,239
Special Revenue Funds	-	18,014			1,244,144	1,262,158
<b>Total Fund Balance</b>	<b>4,668,239</b>	<b>18,014</b>	<b>153,327</b>	<b>173,201</b>	<b>1,244,144</b>	<b>6,256,925</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 4,871,774</b>	<b>\$ 18,014</b>	<b>\$ 153,327</b>	<b>\$ 173,201</b>	<b>\$ 1,247,736</b>	<b>\$ 6,464,052</b>

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

STATE OF NEW MEXICO  
 ROOSEVELT COUNTY  
 Reconciliation of the Balance Sheet - All  
 Governmental funds to the  
 Statement of Net Assets  
 June 30, 2009

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

Net Assets - Total Governmental Funds	\$ 6,256,925
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	8,689,465
Interest payable on GO Bond debt is not recorded as liability on the governmental funds	(22,948)
Other assets are not available to pay for current period expenditures and therefore are deferred in the funds.	207,127
Long-term liabilities, including interest payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(3,638,514)</u>
Net assets of governmental activities	<u><u>\$ 11,492,055</u></u>

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Funds  
For Year Ended June 30, 2009

	General Fund	Road Fund	Debt Service Fund	Bond Acquisition Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 5,447,520	\$ 558,299		\$ -	\$ 848,703	\$ 6,854,522
Licenses and Permits	62,571	-	-	-	-	62,571
Intergovernmental	430,680	1,370,972	326,475	-	395,723	2,523,850
Charges for Services	192,610	-	-	-	-	192,610
Miscellaneous	369,587	71,322	1,586	6,254	136,993	585,742
<b>Total Revenue</b>	<b>\$ 6,502,968</b>	<b>\$ 2,000,593</b>	<b>\$ 328,061</b>	<b>\$ 6,254</b>	<b>\$ 1,381,419</b>	<b>\$ 10,219,295</b>
<b>Expenditures</b>						
<b>Current:</b>						
General Government	3,016,797	-	-	-	96,516	3,113,313
Public Safety	2,543,631	-	-	-	441,394	2,985,025
Highways and Roads	49,352	2,148,140	-	-	-	2,197,492
Health	43,121	-	-	-	775,347	818,468
Culture and Recreation	130,452	-	-	-	-	130,452
Debt Service - Principal			184,996	-	59,913	244,909
Interest			140,006	-	8,843	148,849
Capital Outlay			143,607	60,185	-	203,792
<b>Total Expenditures</b>	<b>\$ 5,783,353</b>	<b>\$ 2,148,140</b>	<b>\$ 468,609</b>	<b>\$ 60,185</b>	<b>\$ 1,382,013</b>	<b>\$ 9,842,300</b>
Revenues (Over) Under Expenditures	719,615	(147,547)	(140,548)	(53,931)	(594)	376,995
<b>Other Financing Sources (Uses)</b>						
Proceeds of bonds issued						-
Transfers in	18,750	86,869			43,764	149,383
Transfers out	(149,383)					(149,383)
<b>Total Other Financing Sources (Uses)</b>	<b>(130,633)</b>	<b>86,869</b>	<b>-</b>	<b>-</b>	<b>43,764</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>588,982</b>	<b>(60,678)</b>	<b>(140,548)</b>	<b>(53,931)</b>	<b>43,170</b>	<b>376,995</b>
<b>Fund Balance at beginning of year</b>	<b>4,079,257</b>	<b>78,692</b>	<b>293,875</b>	<b>227,132</b>	<b>1,200,974</b>	<b>5,879,930</b>
<b>Fund Balance at end of year</b>	<b>\$ 4,668,239</b>	<b>\$ 18,014</b>	<b>\$ 153,327</b>	<b>\$ 173,201</b>	<b>\$ 1,244,144</b>	<b>\$ 6,256,925</b>

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

STATE OF NEW MEXICO  
 ROOSEVELT COUNTY  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balance - All Governmental Funds  
 to the Statement of Activities  
 For the Year Ended June 30, 2009

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

Net Change - Total Governmental Funds	\$ 376,995
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current year.</p>	
Depreciation Expense	(782,947)
Capital Outlay	807,186
Property tax revenue deferred in the governmental funds	(143,241)
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds	244,909
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	<u>(21,195)</u>
Change in net assets of governmental activities	<u>\$ 481,707</u>

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

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Non-GAAP)  
General Fund  
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ 5,208,331	\$ 5,208,331	\$ 5,447,520	\$ 239,189
Licenses & Permits	53,800	53,800	62,571	8,771
Intergovernmental	602,247	602,247	442,562	(159,685)
Law Enforcement	25,000	25,000	192,610	167,610
Miscellaneous	<u>279,675</u>	<u>279,675</u>	<u>400,479</u>	<u>120,804</u>
Total Revenues	<u>6,169,053</u>	<u>6,169,053</u>	<u>6,545,742</u>	<u>376,689</u>
Expenditures:				
Administration	\$ 1,333,538	\$ 2,646,646	\$ 1,961,969	\$ 684,677
Chief Administration	212,617	212,617	191,457	21,160
Maintenance	142,204	144,704	134,970	9,734
Clerk	281,001	281,001	259,018	21,983
Bureau of Elections	84,267	84,267	27,310	56,957
Assessor	315,872	315,872	302,829	13,043
Treasurer	138,282	138,282	126,253	12,029
Sheriff	1,185,492	1,238,445	1,217,951	20,494
Indigent Claims Administration	43,313	43,313	43,121	192
Rural Addressing	50,494	50,494	49,352	1,142
Probate Judge	13,727	13,727	12,991	736
Fairgrounds Maintenance	203,327	206,127	130,452	75,675
Detention Center	<u>1,476,903</u>	<u>1,496,903</u>	<u>1,325,680</u>	<u>171,223</u>
Total Expenditures	<u>5,481,037</u>	<u>6,872,398</u>	<u>5,783,353</u>	<u>1,089,045</u>
Excess (deficiency) of revenues over expenditures	688,016	(703,345)	762,389	1,465,734
Other Financing Sources (Uses)				
Transfers In	18,750	18,750	18,750	-
Transfers Out	<u>(149,383)</u>	<u>(149,383)</u>	<u>(149,383)</u>	<u>-</u>
Excess (deficiency) of revenues over Expenditures & Other Uses	856,149	(535,212)	631,756	1,465,734
Beginning Cash Balance Budgeted	3,788,966	3,788,966	-	(3,788,966)
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>4,079,257</u>	<u>4,079,257</u>
Fund balance at end of year	<u>\$ 4,645,115</u>	<u>\$ 3,253,754</u>	4,711,013	<u>\$ 1,756,025</u>
RECONCILIATION TO GAAP BASIS:				
Changes in Receivables			\$ (145,490)	
Change in Due from Other Governments			(11,882)	
Changes in Interest Accrual			(30,892)	
Change in Deferred Property Taxes			<u>145,490</u>	
			<u>\$ 4,668,239</u>	

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

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual (Non-GAAP)  
Road Fund  
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance- Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 570,650	\$ 570,650	\$ 558,299	\$ (12,351)
Intergovernmental	2,060,784	2,060,784	1,379,785	(680,999)
Miscellaneous	5,000	5,000	71,322	66,322
Total Revenues	<u>2,636,434</u>	<u>2,636,434</u>	<u>2,009,406</u>	<u>(627,028)</u>
Expenditures:				
Highways & Streets	<u>3,469,576</u>	<u>3,530,989</u>	<u>2,148,140</u>	<u>1,382,849</u>
Total Expenditures	<u>3,469,576</u>	<u>3,530,989</u>	<u>2,148,140</u>	<u>1,382,849</u>
Excess (deficiency) of revenues over expenditures	(833,142)	(894,555)	(138,734)	755,821
Other Financing Sources (Uses)				
Transfers In	1,070,408	1,070,408	86,869	(983,539)
Transfers Out				
Revenues and Other Financing Sources Over (Under) Expenditures & Other Uses	237,266	175,853	(51,865)	(227,718)
Beginning Cash Balance Budgeted	51,865	51,865	-	-
Fund Balance at beginning of year	<u>-</u>	<u>-</u>	<u>78,692</u>	<u>78,692</u>
Fund balance at end of year	<u>\$ 289,131</u>	<u>\$ 227,718</u>	26,827	<u>\$ (149,026)</u>
RECONCILIATION TO GAAP				
Changes in Due from other governments			<u>(8,813)</u>	
			<u>\$ 18,014</u>	

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

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Statement of Fiduciary Assets and Liabilities  
June 30, 2009

<u>ASSETS</u>	<u>Agency Funds</u>
Pooled Cash and Investments	\$ 9,545
Taxes Receivable	152,076
Total	<u>\$ 161,621</u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Due to Others	<u>\$ 161,621</u>

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Notes to Financial Statements  
June 30, 2009

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Roosevelt County, organized under the laws of the State of New Mexico, operates under the County Commission form of government.

The financial statements of Roosevelt County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, GASB approved Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis for State and Local Government." In June 2001, the GASB approved Statement No. 37 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus" and Statement No. 38 "Certain Financial Statement Note Disclosures", Statement No. 37 clarifies and modifies Statement No. 34 and should be implemented simultaneously with Statement No. 34. Statement No. 38 modifies, establishes and rescinds certain financial statement disclosure requirements. The County implemented the provisions of the above statements effective July 1, 2003.

The following is a summary of the County's accounting policies.

**A. Reporting Entity**

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the reporting entity was made by applying the criteria set forth the GAAP. The basic – but not the only – criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The more significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to the selection of governing authority, the decisions of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of the public service. Application of this criterion involves considering whether the activity benefits the government and or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing exercise oversight responsibilities. Based upon the application of these criteria, the County had no component units.

**B. Basis of Presentation – Fund Accounting**

The accounts of the County are organized on the basis of funds. The operations of each fund are accounted for with a separate set of self-balancing accounts. The County uses the following fund types:

**Governmental Funds**

Governmental funds include the following fund types:

**General Fund** – The general fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.



STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Notes to Financial Statements  
June 30, 2009

Under the requirements of GASB 34, the County is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which include funds that were not required to be presented as major, but were presented at the discretion of management:

**Debt Service Fund** – This fund is used to account for the accumulation of resources and payment of General Long-Term Debt principal and interest.

**Road Fund** – This fund accounts for funds used to maintain roads for which the County has accounted for in this fund, including but not limited to administration, operation, maintenance, and capital outlay. Revenues are provided by motor vehicle fees, gas taxes, state appropriations, and state severance tax bonds.

**Bond Acquisition Capital Project Fund** – This fund is used to account for the funds provided from the County's bond issues. Resources are used for the purpose of erecting, remodeling, making additions to, or furnishing buildings and purchasing or improving grounds. Financing is provided by gross receipts taxes. This is a Capital Projects Fund.

Financial Statements Presentation

The County follows the State of New Mexico Department of Finance and Administration (DFA) guidelines related to financial reporting presentation. The DFA modifies the reporting of functional expenditure categories from year to year.

C. **Basis of Accounting**

**Countywide Financial Statements (CWFS)**

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual focus of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Non-exchange Transactions."

**Program Revenues**

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the County's taxpayer or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the County's general revenues.

**Allocation of indirect expenses**

The County reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. The County does not currently employ indirect cost allocation systems. Depreciation expense not charged to a specific function is identified as unallocated on the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Notes to Financial Statements  
June 30, 2009

**Fund Financial Statements (FFS)**

**Governmental Funds:**

Governmental funds types use the flow of current financial resources management focus and the modified accrual basis of accounting. The modified accrual basis of accounting is followed by the government fund types and agency funds for financial statement purposes. Under the modified accrual basis of accounting, revenues, and other governmental fund financial resource increments are recognized in the accounting period in which they become measurable and available to pay liabilities of the current period.

Those revenues susceptible to accrual are property taxes, gross receipts taxes, state shared taxes, investment income and charges for services. In accordance with GASB 33, estimated property taxes that are not available are recorded as both accounts receivable and deferred revenue. Grant revenues are recognized when the related costs are incurred and all eligibility requirements are met. All other revenues are recognized when they are received and are not susceptible to accrual, because they are usually not measurable until payment is actually received. Expenditures are recorded as liabilities when they are incurred. Any effect of interfund activity has been eliminated from the countywide financial statements.

The financial statements of the County are prepared in accordance with generally accepted accounting principles (GAAP). The reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principal Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

**Agency Funds**

The County's Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement results of operations. Agency Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting.

**Revenues:**

Property taxes are collected by the Roosevelt County Treasurer and remitted to the County. Property tax revenue is recognized at the time of receipt or earlier if accrual criteria are met. The County's accounting policy is to defer property taxes that are not collected within 60 days after fiscal year end since delinquent property taxes are not available to finance current fiscal year County operations. Delinquent property taxes collected in future periods will be recognized as revenue when collected. Program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues include all taxes.

**Expenditures:**

Grand expenditures in excess of receipts are recorded as a receivable from the funding source and grant receipts in excess of expenditures are recorded as deferred revenue. Revenue for grants is recognized based on the expenditures recorded. Grants are usually revocable only for failure to comply with prescribed compliance requirements.

Expenditures are recorded when the related fun liability is incurred, except interest on general long-term debt which is recognized when due, and certain compensated absences and claims which are recognized when expected to be liquidated with expendable available financial resources.

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Notes to Financial Statements  
June 30, 2009

**D. Budgets**

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are prepared by managements and approved by the County Commissioners and the Department of Finance and Administration.

These budgets are prepared on the Non cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be reappropriated in the budget of the subsequent fiscal year. Because the budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year, such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not legally exceed budgeted appropriations at the function level. If a transfer between functions or a budget increase is required, approval must be obtained from the County Commissioners and the State Department of Finance and Administration.

The County's policy is to apply restricted resources first when and expenses is incurred for purposes for which both restricted and unrestricted net assets.

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

**E. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Projects Fund. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

**F. Cash and Cash Equivalents**

Policies regarding cash and cash equivalents are approved by the County's Board of Finance and is governed by New Mexico statute. Such policies allow deposits or investments in certificates of deposit, savings accounts, various obligations of the U.S. Government or its agencies and the New Mexico State Treasurer's Local Government Short Term Investment Fund. Such deposits and investments must be made through a state or federally chartered bank or savings and loan association which is insured by the FDIC and which is within the geographic boundaries of the County, or with the New Mexico State Treasurer.

Collateral is required for at least 50% of deposits that are not insured by the FDIC. Obligations that may be pledged as collateral are obligations of the U.S. Government, its agencies, and state and local governments. Collateral is held in safekeeping at depository institutions in the name of the County.

**G. Capital Assets**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (with no salvage value). The County defines capital assets as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at fair value at the time of donation. Additions, improvements and other capital outlays that significantly extend

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Notes to Financial Statements  
June 30, 2009

the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Buildings and portable buildings	40 years
Building Improvements	20 years
Vehicles	5 years
Office Equipment	5 years
Computer Equipment & Software	5 years
Infrastructure	40 years

GASB Statement 34 requires the recording and depreciation of infrastructure assets, which includes roads, bridges, traffic signals, etc.

Depreciation was allocated to the various functions based upon originating purchasing source where identifiable. Unallocated depreciation was recorded in the Statement of Activities.

**H. Long-Term Obligations**

For Countywide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement 34, the amortization of the costs of the bonds is amortized from the date of adoption of GASB Statement No. 34.

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds and applicable premiums or discounts are reported as another financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as capital outlay expenditures.

**I. Fund Balances of Fund Financial Statements**

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

**J. Restricted Net Assets**

For the County-wide statements of net assets, net assets are reported as restricted when constraints placed on net assets used are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other government;

Imposed by law through constitutional provisions or enabling legislation.

**K. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Notes to Financial Statements  
June 30, 2009

applicable to another fund, are recorded as expenditure/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers or equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**L. Estimates**

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

**M. Deferred Revenues**

The County reports deferred revenues on its Statement of Net Assets and various fund balance sheets. Deferred revenues arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures.

In subsequent periods, when the County has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

**N. Compensated Absences**

The liability for compensated absences reported in the government-wide statements consists of unpaid sick leave balances. The liability has been calculated by the vesting method, in which leave amounts from both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future receive such payments upon separation from employment are included. The plan is a deferred sick leave payment plan. The plan is funded from the fund that the employee is paid from.

**2. CASH AND CASH EQUIVALENTS**

State statutes authorize the County to make deposits in interest bearing depository accounts in federally insured and/or state chartered banks and savings and loan associations, and to invest available funds in the U.S. Government Obligations, bank, saving and loan association or credit union deposits, or in the Local Government Investment Pool. The County's cash balances consist of demand deposits and certificates of deposit. The carrying amount of cash in demand deposit accounts and financial institution issued certificates of deposit are displayed in the balance sheet under "cash and investments." The certificates of deposit carry a market interest rate and have a maturity date of less than one year.

State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit, be collateralized by the depository thrift or banking institution. At present, state statutes require that a minimum of fifty percent of balances on deposit with any one institution must be collateralized, with higher requirements – up to 100% for financially troubled institutions. Collateral requirements per Section 6-10-16 NMSA 1978 are disclosed on page 68 of this report.

As of June 30, 2009, the County had \$3,122,901 on deposit with the New Mexico State Treasurer which is not subject to collateral requirements.

As of June 30, 2009, the book balance of deposits in local banks of the County was \$2,877,838 and the bank balance was \$3,095,146. Of the bank balance, \$1,200,005 was covered by federal depository

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Notes to Financial Statements  
June 30, 2009

insurance. Of the remaining balance of \$ 1,895,141, all was collateralized with securities held by the pledging financial institutions.

**Custodial Credit Risk – Deposits**

Custodial Credit Risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$1,895,141 of the County's bank balance of \$3,095,146 was exposed to custodial credit risk as follows:

Uninsured with Collateral held by the pledging banks	
Trust Department not in County's name	\$1,895,141
Total	<u>\$1,895,141</u>

**State Treasurer Investment Pool**

The County has \$3,122,901 invested in the State Treasurer Local Government Investment Pool.

The Local Government Investment Pool includes the following disclosures:

The investments are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. Section 6-10-10 I, NMSA 1978, empowers the State Treasurer, with the advice and consent of the State Board of Finance, to invest money held in the short-term investment fund in securities that are issued by the United States Government or by its departments or agencies and are either direct obligations of the United States Government or are backed by the full faith and credit of the United States Government. The Local Government Investment Pool investments are monitored by the same investment committee and the same policies and procedures that apply to all other state investments. The pool does not have unit shares. Per Section 6-10-10, NMSA 1978, at the end of the month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary. The Pool is AAAM rated and has a 43-day WAM.

**3. CAPITAL ASSETS**

A summary of changes in capital assets follows:

Capital assets not being depreciated:

Land	\$ 76,920	\$ 76,920
Total assets not being depreciated	<u>76,920</u>	<u>76,920</u>

Capital assets being depreciated:

Buildings and Improvements	\$ 12,809,293	\$ 505,546	\$	\$ 13,314,839
Improvements - Infrastructure	21,587,999			21,587,999
Machinery and Equipment	6,473,407	301,640	(37,532)	6,737,515
Construction in Progress				
	<u>40,947,619</u>	<u>807,186</u>	<u>(37,532)</u>	<u>41,717,273</u>
Less accumulated depreciation for:				
Buildings and Improvements	(9,175,355)	(193,711)		(9,369,066)
Improvements - Infrastructure	(18,552,928)			(18,552,928)
Machinery and Equipment	(4,553,610)	(589,236)	37,032	(5,105,814)
Construction in Progress	-	-		-
	<u>-</u>	<u>-</u>	<u>37,032</u>	<u>-</u>

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Notes to Financial Statements  
June 30, 2009

Total accumulated depreciation	(32,281,893)	(782,947)	37,032	(33,027,808)
Total Capital Assets Being Depreciated, Net	\$ 8,665,726	\$ 24,239	\$ (500)	\$ 8,689,465
Governmental Activities Capital Assets, Net	\$ 8,742,646	\$ 24,239	\$ (500)	\$ 8,766,385

Depreciation expense was charged to the following functions:

General Government	\$ 505,940
Public Safety	277,007
Highways and Roads	_____
Total Depreciation	\$ 782,947

**4. 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 with levies becoming delinquent 30 days thereafter unless a timely protest has been made. Taxes are collected on behalf of the County by the County Treasurers, and are distributed in the month of the collection.

The County tax levy is recognized as revenue when collected by the County Treasurers or when received by the County within 60 days following the fiscal year end. Taxes levied but not collected by the counties are recorded as deferred revenue. An allowance for uncollectable property taxes is recorded on the balance sheet to reflect an estimate for uncollectable property taxes from prior years. For tax year 2008, the county billed \$9.873 for residential property and \$10.850 for commercial property per \$1,000 of net assessed valuation for its own general governmental services. Total assessed taxable value of the property within the County limits was \$ 272,519,853.

**5. LONG-TERM DEBT**

Long-term debt outstanding as of June 30, 2009 is as follows:

The annual requirements to amortize debt is as follows:

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Notes to Financial Statements  
June 30, 2009

Gross Receipts Tax Revenue Bond Series 2006 Due 6/1/2026, Detention Center, Interest Rates 3.75-4.35%	\$3,160,000	\$0	\$125,000	\$3,035,000
Note Payable to New Mexico Finance Authority, Due 5/1/2013 Milnesand Voluntary Fire Department Fire Truck Interest Rates 3.14-3.48%	317,887	0	59,913	257,974
Note Payable to New Mexico Finance Authority, Due 5/1/2013 Roosevelt County Court House Renovation Interest Rates 3.14-3.48%	319,606	0	59,996	259,610
	<u>\$3,797,493</u>	<u>\$0</u>	<u>\$244,909</u>	<u>\$3,552,584</u>

Year Ending June 30	Principal	Interest	Total
2010	\$253,550	\$140,747	\$394,297
2011	257,350	132,324	389,654
2012	266,278	123,743	390,021
2013	280,426	114,445	394,871
2014	150,000	104,555	254,555
2015-2019	840,000	425,686	1,265,686
2020-2024	1,030,000	235,784	1,265,784
2025-2025	475,000	31,206	506,206
Total	<u>\$3,552,584</u>	<u>\$1,308,490</u>	<u>\$5,254,834</u>

Debt Service for the Milnesand Fire Truck is funded through the Milnesand State Fire Fund from intercepted intergovernmental grants and accounted for in the Milnesand State Fire Fund.

Debt Service for the Court House renovation and the County Jail improvements are funded through the intercept of gross receipts tax and accounted for in the Debt Service Fund.

Changes in long-term debt and other liabilities:

June 30, 2009, the following changes occurred in long-term debt and other liabilities:

	Balance 6/30/2008	Adds	Deletions	Balance 6/30/2009	Due in 1 Year
Government Activities:					
Total Bonds & Notes Payable	\$3,797,493	\$0	\$244,909	\$3,552,584	\$253,550
Compensated Absences	73,972	61,003	72,961	85,930	17,186

Amount of compensated absences due in one year is \$ 17,186. The funds used to liquidate compensated absences are the General Fund and the Road Fund.



STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Notes to Financial Statements  
June 30, 2009

**6. EMPLOYEE RETIREMENT PLAN**

*Plan Description* — Substantially all of Roosevelt County District's full time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 11, Article 11, NMSA 1978). The Public Employee Retirement Board (PERA) is the administrator of the plan, which is a cost sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes the financial statements and required supplementary information. That report may be obtained by writing to PERA, PO Box 2123, Santa Fe, New Mexico 87502-2123.

*Funding Policy* — Plan members are required to contribute 9.14% of their gross salary. Roosevelt County District is required to contribute 9.14% of the gross covered salary. The contribution requirements of plan members and the Roosevelt County District are established in Chapter 11, Article 11, NI 1978. The requirements may be amended by acts of legislature. The Roosevelt County District's contributions to the PERA for the years ended June 30, 2009, 2008, and 2007 were: \$271,026, \$299,013, and \$262,875 respectively, equal to the amount of the required contribution for the year.

**A. Post-Retirement Health Care Benefits**

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

Eligible retirees are: (1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the Retiree Health Care Act on the person's behalf, unless that person retired on or July 1, 1995, in which event the time period for contributions becomes the time between July 1, 1990, and the date of retirement; or 2) retirees defined by the Act who retired prior to July 1, 1990; and former legislators who served at least two years.

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. The statute requires each

STATE OF NEW MEXICO  
ROOSEVELT COUNTY  
Notes to Financial Statements  
June 30, 2009

participating employer to contribute 1.3% of each participating employee's annual salary; each participating employee is required to contribute .65% of their salary.

Employers joining the program after 1/1/98 are also required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

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

Roosevelt County's contributions to the RHCA for the years ended June 30, 2009, 2008, and 2007 were \$49,856, \$47,673 and \$41,902, respectively, which equal the required contributions for each year.

**7. FUND TRANSFERS**

Transfers to/from other funds at June 30, 2009 consist of the following:

Transfers are considered normal recurring transfers for operating purposes.

Government Activities:	Transfer Out	Transfer In
General Fund	\$ 149,383	\$ 18,750
Predatory Animal		30,364
Indigent		
EDA Business Development		
Traffic Grants		
Milnesand County Fire Fund		6,700
Arch County Fire Fund		<u>6,700</u>
	<u>\$ 149,383</u>	<u>\$ 149,383</u>

**8. OVER EXPENDED BUDGETS**

The following funds were over expended by the following amounts for the fiscal year June 30, 2009:

Debt Service Fund	\$ 403,553
Milnesand EMS	1,537
EDA Grant	7,378
Indigent Fund	
Milnesand State Fire Fund	27,887

These amounts are reported in the various Statements of Revenues and Expenditures and Changes in Fund Balance Budgeted and Actual Non-GAAP

**9. DUE FROM GOVERNMENTS**

Due from governments consists of gross receipts due from the New Mexico Taxation and Revenue in the amount of \$243,894. Due to the general fund was \$225,880 and the road fund was \$18,014.

## **SUPPLEMENTAL INFORMATION**

STATE OF NEW MEXICO  
 ROOSEVELT COUNTY  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Non-GAAP)  
 Debt Service Fund  
 For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes	\$ 64,705	\$ 64,705	\$ 326,475	\$ 261,770
Miscellaneous	-	-	1,586	1,586
Total Revenues	<u>64,705</u>	<u>64,705</u>	<u>328,061</u>	<u>263,356</u>
Expenditures:				
Debt Service Interest	65,096	65,096	140,006	(74,910)
Debt Service Principal	-	-	184,996	(184,996)
Capital Outlay	-	-	143,607	(143,607)
Total Expenditures	<u>65,096</u>	<u>65,096</u>	<u>468,609</u>	<u>(403,513)</u>
Excess (deficiency) of revenues over expenditures	(391)	(391)	(140,548)	(140,157)
Other Financing Sources (Uses)				
Transfers In		-	-	
Transfers Out				
Revenues and Other Financing Sources Over (Under) Expenditures & Other Uses	(391)	(391)	(140,548)	(140,157)
Beginning Cash Balance Budgeted	368,028	368,028	-	(368,028)
Fund Balance at beginning of year	-	-	293,875	293,875
Fund balance at end of year	<u>\$ 367,637</u>	<u>\$ 367,637</u>	153,327	<u>\$ (214,310)</u>
RECONCILIATION TO GAAP BASIS:				
Changes in Due from other governments			-	
			<u>\$ 153,327</u>	

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

STATE OF NEW MEXICO  
 ROOSEVELT COUNTY  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget and Actual (Non-GAAP)  
 Bond Acquisition Fund  
 For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>			Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Taxes	\$ -	\$ -		\$ -
Miscellaneous	6,254	6,254	6,254	-
Total Revenues	<u>6,254</u>	<u>6,254</u>	<u>6,254</u>	<u>-</u>
Expenditures:				
Capital Outlay	60,185	60,185	60,185	-
Total Expenditures	<u>60,185</u>	<u>60,185</u>	<u>60,185</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(53,931)	(53,931)	(53,931)	-
Other Financing Sources (Uses)				
Transfers In		-	-	
Transfers Out				
Revenues and Other Financing Sources Over (Under) Expenditures & Other Uses	(53,931)	(53,931)	(53,931)	
Beginning Cash Balance Budgeted	397,936	397,936		(397,936)
Fund Balance at beginning of year			<u>227,132</u>	<u>227,132</u>
Fund balance at end of year	<u>\$ 290,074</u>	<u>\$ 290,074</u>	173,201	<u>\$ (170,804)</u>
RECONCILIATION TO GAAP				
Change in due from other governments			<u>-</u>	
			<u>\$ 173,201</u>	

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